



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

2004 Annual Report and 2005 Final Work Plan

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Content

1. 2004 Annual Report
2. 2005 Work Plan
 - 2.1. NECC Work Plan 2005
 - 2.2. Lamb and Cheese Cluster Work Plan 2005
 - 2.3. Tourism Cluster Work Plan 2005
 - 2.4. IT Cluster Work Plan 2005
 - 2.5. Wine Cluster Work Plan 2005
 - 2.6. Apparel Cluster Work Plan 2005
 - 2.7. PED Work Plan 2005
 - 2.8. Microsoft Project MCA Work Plan 2005
 - 2.9. Level of Effort



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

2004 Annual Report

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Macedonia Competitiveness Activity 2004 Annual Report

2004 was a year of both transition and achievement for Macedonia Competitiveness Activity. A few important transitions included:

- New chief of party, who had arrived in November 2003, took full responsibility for project operations
- Four short-term expat consultants completed their lengthy assignments and another started
- Local staff began to assume leadership of several clusters and major activities
- Long time local staff adviser to the National Entrepreneurship and Competitiveness Council resigned
- New cluster was inaugurated

And a few significant achievements included:

- For the first time in anyone's memory, Macedonia exported cheese – and those exports continued to grow throughout the year, with shipments to America, Albania and Australia
- Several foreign tour operators who visited Macedonia for the first time in 2004 announced their first tours to the country for 2005
- Macedonia digital media companies received their first Hollywood contracts, including work on Martin Scorsese's film *Aviator*, and a pipeline of new business began to fill as interest in this focus group exploded
- A pipeline of qualified leads was developed by a consortium of Macedonia IT software companies who went on the road to meet potential clients in western Europe for the first time
- National Competitiveness Summit, attended by 500 representatives from civic, government, business, donor sectors, was opened by the then-prime minister as the National Entrepreneurship and Competitiveness Council took important strides toward becoming a truly Macedonian institution
- Radisson SAS and a local investor group signed a contract to operate a hotel in Ohrid and a Turkish investor committed to a shopping center in Skopje

This report will briefly summarize 2004, focusing on milestones and initiatives. Detailed quarterly reports have been provided to USAID at the end of each quarter of 2004, as have reports on each completed initiative. Plans for 2005 will also be briefly summarized. The full 2005 work plan will be detailed in a MS Project spreadsheet.

Component A: Institutions

National Entrepreneurship and Competitiveness Council (NECC)

NECC had three objectives in 2004 – to increase foreign direct investment (FDI), to improve management capabilities and increase exports. At the same time, the Council took important strides toward becoming a truly Macedonian institution.

FDI milestone¹ – The FDI working group drew up a **target investor list** by the end of March, as planned. Members met several times with potential investors: Radisson SAS global hotelier; Yula i VetroPak Straza, Swiss glass packaging manufacturer; and Koch Holding Co., Turkish investor in retail stores. A contract was signed in May between Radisson SAS and AD Ohridturist to operate a hotel in Ohrid, UNESCO-protected lakeside city in southwestern Macedonia. VetroPak/Straza was positively impressed with Macedonia but has made no decision to locate a ‘green field’ plant here. Koch is building a shopping center in Skopje.

As a result of suggestions by the Council, the Minister of Finance engaged Standard & Poor’s, the world’s foremost provider of independent credit ratings, indices, risk evaluation, investment research, data and valuations. **Macedonia’s first credit rating** (BB+) was published in early August.

Council discussions also led to the Ministers of Economy and Finance (both Council members) initiating an assessment of the impact on the national budget of reducing or **removing duties and tariffs on imported raw materials** used in final products for export.² Representatives of the apparel industry brought the issue to the Council.

Management Capabilities milestones – Improving management capabilities was addressed on two fronts: initiation of a management education program and attracting a graduate school of business (MBA) to Macedonia.

This working group collaborated with SEED (Southeast Europe Enterprise Development, multi-donor initiative managed by the World Bank’s International Finance Corporation – IFC) to design and offer a two part series of **management education program** covering finance, marketing, organizational design and other MBA-focused subjects. This series evolved from a survey of 150 companies. Completion of one series in spring and one in autumn were milestones. The spring series was offered on time and successful. However, plans for the autumn series were cancelled. The local training company market quickly picked up on the SEED/MCA model, replicated it and began offering similar programs, making the autumn series unnecessary.

Understanding that Macedonia needs a steady flow of qualified managers to sustain future economic growth, the working group also initiated discussions with international schools of business about a possible full time **MBA program** in Macedonia. Each milestone was achieved: a short list of schools was compiled well in, materials were prepared and contacts begun and a feasibility study for the program was completed by a local BSP (business service provider). At yearend Maastricht School of Management expressed interest in opening an MBA program at South East Europe University in Tetovo.

¹ NECC does not have a contractual obligation to identify 10 initiatives, like the clusters.

² This issue was still under discussion as the government changed in November.

Exports milestones – NECC objectives for exports were achieved through the clusters and are reported under each cluster.

NECC Sustainability – Government changes at the end of 2003 resulted in five new ministers taking seats on the Council in January 2004. MCA NECC staff had to educate the new members about the Council and its role and work with the whole Council on a productive model of behavior. As a result, milestones related to the formal staffing of a Council secretariat (also called Advisory Group) were delayed with approval of USAID. A small ad hoc group of private sector leaders took ownership of the process of integrating all members into an effective Council, including developing a strategy for improving dialogue with the new ministers. They ensured that the Council met the following milestones: approval of a charter, drafting of a job description for the executive director position and preparation of a budget for the secretariat. The Ministry of Economy agreed to provide office space for the secretariat. MCA NECC staff began meeting with other donors about support of an independent Council, and the Swiss Government expressed strong interest.

In December Ana Nikovska, MCA's lead advisor to the Council, resigned. This accelerated the transition strategy to an independent Council. The first step was to employ a local BSP to fulfill the role of acting director. The Center for Economic Analysis (CEA), a local 'think tank' that was working with the Council on information gathering for a competitiveness report, was asked to take on the additional responsibility. Prof. Vanco Uzunov, an NECC member, was offered and accepted the three-month position. Prof. Uzunov is a foremost expert on competitiveness. Dejan Janevski, MCA staff to the Council, assumed expanded responsibilities. The transition to an independent secretariat is a high priority in the first half of 2005. Despite the transitions, the Council met regularly, either at large or in working groups.

World Economic Forum (WEF) milestone – The Council administered the annual WEF Competitiveness survey for the second time, using a local business service provider. Macedonia's ranking was xx, compared to 81 in 2003.

National Competitiveness Summit milestone – Then-Prime Minister Hari Kostov opened the second annual Summit, hosted by the Council on 30 September. Some 500 representatives of civil society, business, governments and donors attended, hearing such notable speakers as Kevin Ross of the International Monetary Fund (IMF) and US Ambassador Lawrence Butler. The Summit garnered considerable favorable publicity in print and broadcast news media throughout Macedonia.

Component B: Consensus Building, Public Education and National Dialogue

National Competitiveness Attitudes and Awareness Assessment milestones – MCA Public Education Department's (PED) only milestones related to this 'mental models' survey. The analysis of the November 2003 results was prepared in February, as planned. The 2004 survey was conducted at the beginning of October, also as planned. Administering the survey is sub-contracted to a local BSP. Both surveys showed important improvement in general public awareness of the NECC and behavior change, especially investment in market research and investigation of new product opportunities as a result of things they'd learned about competitiveness.

Notable Achievements – PED sought **media coverage** to meet project objectives as well as respond to media inquiries. More than 115 print placements appeared, nearly 100 stories appeared on television, and more than 30 were heard on radio. PED achieved significant visibility for MCA activities and special events, especially: NECC’s management education program, Ohrid Wine & Cheese Festival, [3D@E-Schools](#), the Second Annual National Competitiveness Summit and the Second Annual Street Festival “Em umeam, em mozam.” PED’s Margareta Lipkovska Atanasov led the department’s efforts to make the Summit and Street Festival the successes they were. Attendance at and media coverage of both exceeded expectations, and feedback from participants was very positive.

In addition, PED provided significant **support to USAID and other USAID projects** in their publicity efforts – notably, Community Self Help Initiative (CSHI) in the opening of Stobi Visitor Center and E-Biz/I-LEAD in the openings of its technology centers. PED helped coordinate the October Regional Competitiveness Conference for the Mission.

PED hosted a “Speaker Series” of six **briefings for journalists** to broaden their understanding of competitiveness and related issues. PED’s Vanja Mirkovski surveyed journalists to identify topics for the series. Speakers included specialists from other USAID projects and NECC members, including the Minister of Economy.

MCA Direct, MCA’s eight-page, four-color newsletter published in three languages (English, Macedonian and Albanian), was prepared and disseminated each quarter on time. Each newsletter included timely articles on the work of the clusters and Council as well as Diaspora outreach. **Diaspora outreach and gender** sensitivity are two PED priorities. For example, two successful businesswomen of the Macedonian Diaspora who were lecturers in the NECC management education program were featured in *MCA Direct* and interviewed by the news media. PED met with representatives of the Albanian community in Macedonia as well as representatives of both Macedonian and Albanian Diaspora in Europe. As a result of the considerable work by PED’s Makedonka Dimitrov, Macedonian Patriotic Association (MPO – largest Diaspora group in the US) is providing financial support to the Hospital for Children with Respiratory Diseases in Skopje. MPO’s newspaper carried articles on the donation and a sponsored tour to Macedonia that MCA helped to host.

Component C: Demand Driven Selection of Clusters

Cluster Selection – Procedures and Criteria, Cluster Leadership Councils, and the Selection Process

Cluster Selection milestone – NECC identified **Apparel** as the fifth cluster to receive support from MCA and announced its selection at the Second Annual National Competitiveness Summit on 30 September (milestone). The NECC chose the Apparel Cluster because it demonstrated in its application that it had (1) strong leadership in the cluster, as represented in the Textile Trade Association that was formed in 2003; (2) potential to have a strong impact on the national economy; and (3) an inspiring strategic vision to build a competitive advantage for the industry based on improving its contract manufacturing capability, increasing flexibility of its manufacturing capability, creating proprietary designs and developing strong Macedonian brands to allow the industry to compete and win against lower cost competitors from Asia. About 60 members attended the Apparel Cluster kickoff event in Stip on 7 October.

Cluster Leadership Councils milestone – Local staff is leading three clusters: Tourism (Ines Curapova), Lamb and Cheese (Agim Salja) and Wine (Iva Orceva) and playing increasingly important leadership roles in IT (Romela Popovic Trajkov with Digital Media Focus Group and Alkesandar Blagoevski Trazoff with MacedoniaIT consortium). Consultant Bob Stapp helped cluster staff and leaders strengthen the organizational capacity of the cluster leadership councils (CLCs) by helping them to develop charters and more effective working relationships (milestone). CLCs for Tourism, IT, Wine and Apparel were elected in 2004 in transparent processes and are playing increasingly important roles in cluster strategy and decision-making. By yearend IT Cluster's CLC had approved a transparent planning process, elected a Strategy Committee, brainstormed and prioritized initiatives for 2005.

Component D: Cluster Support and Sub-Projects (Initiatives³)

Lamb and Cheese (LnC)

For the first time in anyone's memory, Macedonia exported cheese in 2004. As a result of an MCA-sponsored market-learning trip to the US in 2003, Nasto dairy landed a contract and began shipping cheese to America in January. This inspired others who noted, 'If Nasto can do it, so can I.' Besides Nasto, Ideal Sipka attained a third country export license and IMB-Bitola, an EU export license. Buchen Kozjak dairy was in the final days of receiving a third country license as the year ended. In all, Nasto and Ideal shipped more than \$200,000 worth of white and yellow cheeses to America, Albania and Australia. In addition, Ideal Sipka opened a distribution warehouse in Tirana.

Feedback from cluster members early in the year indicated a desire for more practical, concrete initiatives. They felt that many 2003 initiatives, while informative and helpful in the long term, were not useful in the near term. As a result, changes were made in the initial list of initiatives (see below), and LnC's agri-business consultant identified two specific initiatives to pursue in 2004: a wine and cheese festival to demonstrate how to sell directly to the market and to get customer feedback on products first hand; and attendance at one of the two largest global food trade shows, SIAL along with wineries. Exploration of a possible third initiative, a test of selling lamb directly to Greek supermarket chains, was begun in collaboration with USAID Land O' Lakes and a Swedish development project.

Non-initiative milestones – LnC's Ljubco Genadiev of Nasto dairy made a **presentation to the NECC** in February that included recommendations for potential support from the Council in the areas of export licenses and protection of geographic origin.

A preliminary report of LnC's **baseline** data was presented to USAID by the end of June, as planned.⁴ MCA used a local BSP to collect data on the lamb and cheese sectors for the PMP and on cluster members for the Mission. Information on cluster members was disaggregated to provide a deeper understanding of the dynamics in the sectors and assist in future strategy development.

³ *Lamb and Cheese, Tourism and IT presented proposed initiatives in their initial strategy presentations to USAID. These did not necessarily include milestone deadlines. In agreement with CTO Elizabeth Markovic, MCA developed an approval form, which included detailed budget. A more formal cluster initiative approval process was implemented beginning in December 2003. As a result, some original cluster initiatives were not implemented as priorities changed with new information ... and the numbering of some initiatives was damaged. This is especially true with the IT initiatives, for which we apologize.*

⁴ *The final Baseline Studies Report was submitted in October with industry and cluster baselines statistics for LnC, Tourism, IT and Wine and missed the milestone dates for Tourism and Wine.*

Initiative #4 – *Develop a scorecard system to generally assess the readiness of Macedonian dairies to meet EU standards.* The groundwork for this initiative was accomplished in 2003. The 2004 milestone was to improve the scores of three firms leading to export licenses by the end of June. MCA teamed with LOL to bring in a Bulgarian EU consultant who assessed 12 enterprises, conducted a seminar and identified next steps for the top four potential candidates for export licenses.

As a result of this initiative, Ideal Sipka and Nasto dairies started procedures to upgrade their third country licenses to EU export certificates from the local veterinary authority. Buchen Kozjak dairy started procedures to obtain a third country export license.

Initiative #5 – *Culinary Education: Create marketing materials incorporating publicity articles by the end of September.*

Unfortunately this was not completed because the culinary education consultant failed to provide the required articles for media placement. However, an article on Macedonian cheese was prepared and included in the media kits for SIAL Global Food Trade Show and disseminated at the show.

Initiative #6 – *Product Development: Develop products to be more export ready and fulfill demands of export markets.*

Although not identified as a milestone, three seminars were held in February by Macedonian BSPs to teach cluster members about the importance of taste testing, visual merchandising and laboratory analysis for fulfilling foreign market demands. Cluster members put this information to use as two exported to three new markets and expanded their learning in these areas at SIAL.

Initiative #8 – *Cost Structure Analysis: Develop analysis for one major sheep herding operation and one large dairy plan.* Again, no milestone was attached to this initiative in 2003 because most of the work was done in 2003. However, two well-attended seminars were presented in Stip and Gostivar in February. The BSP (MBRC-TInet) presented concrete examples for sheep herding and dairy operations.

As follow up to this initiative, MCA continued to assist sheepherders in their understanding of the business side of their operations by cooperating with ScanAgri, Swedish development project. ScanAgri offered a series of seminars on business skills to sheepherders. MCA agro-business consultant Tony Dalgleish provided information on the marketing aspects.

Initiative #9 – *Protection of Geographic Origin.* Again, most of this initiative was completed in 2003 and no milestone attached for 2004. However, two seminars on geographic origin were conducted by the BSP, Trajkovski & Partners, and their report made available to cluster members.

Initiative #10 and 11 – *Artisan Cheese Study Tour and Welsh Lamb Study Tour, respectively.* Both of these initiatives were cancelled because the potential participants didn't show interest in taking steps to meet standards required for export licenses.

Initiative #12 – *Market Learning: Ohrid Wine & Cheese Festival.* This two-day event was held during Macedonia's busiest summer holiday weekend in its most popular resort town, Ohrid. The objective was to help artisan cheese makers (sheep herders) better understand and serve customers while increasing their sales and profits. Because of the natural connection between wine and cheese and MCA's active involvement in the wine sector, the two clusters and staffs collaborated to produce this successful event. The City of Ohrid and USAID LOL

were also partners. Five shepherders associations and five dairies took part. The shepherders sold nearly a ton of cheese and the dairies, more than 1.7 tons (total value of cheeses sold was almost \$16,000 in nine hours of selling).

Initiative #13⁵ – Market Learning: SIAL Global Food Trade Show 2004. Over five months, LnC and Wine staff organized Macedonia's impressive stand at SIAL in Paris. Agro-business consultant Tony Dalglish conducted pre-event workshop that used case studies, practical examples and illustrations to help cluster members make the most of this event. The workshop was also attended by cluster members not attending SIAL.

Three dairies with export licenses (Nasto, Ideal Sipka, IMB-Bitola) attended and recorded more than 180 importers from 36 countries as visitors to the stand and potential clients. All expressed satisfaction with the show and MCA's support – and as a result of SIAL, Ideal Sipka has already shipped cheese to a new client in Australia.

Initiative #13⁶ – Commercial Manager. MCA spent considerable time helping cluster members understand the value and importance of developing an aggressive sales position to increase exports and domestic distribution. Cluster members clearly understood the concept but could see no immediate, tangible benefit, and therefore the milestone of having at least one in place was unmet. The Greek test market initiative, if undertaken, will provide a solid example of this position at work to the shepherders and may provide renewed interest.

Tourism

Developing a memorable Macedonia tourism experience has been an underlying theme in the cluster's plans. In 2003 MCA staff worked with tour operators to develop "experiences" (specific tours). In 2004, these were tested through presentations in foreign markets and by conducting a familiarization tour to Macedonia. Scorecard evaluations, service training and an anti-litter campaign all supported this effort to increase awareness of Macedonia as a tourist destination. Tourism also provided support to CSHI, which constructed a visitor center at the Stobi archeological site, and the entrepreneur operating the retail facilities there. A volunteer with experience in museum marketing agreed to work with the center's owner, the Institute for Preservation of Cultural Heritage, and Liva Komerc, the entrepreneur.

Non-Initiative Milestone – USAID's PMP metric for measuring success in tourism is the number of foreign visitors registered in hotels, a statistic collected by the state statistical office. This is a proxy for industry results. To better reflect the cluster's success, MCA used a local BSP to collect data on the negotiations with foreign tour operators who will help bring "high value" tourists to Macedonia and on expenditures of departing foreign tourists at the airport. Baseline data was presented to USAID in October, later than the August milestone.

Initiative #5 – FAM Tour: Conduct familiarization tour for selected foreign tour operators. Thirteen foreign tour operators from the US, Europe and Turkey enjoyed the best of Macedonia during their six-day visit in mid-April. Dori Pavloska-Gorgieska cold called specialty tour operators all over the world to identify those who took part. Two-dozen cluster members hosted the tour operators. Despite some bad weather days, the tour operators rated the Macedonia experience a 6.2 on a scale of 10 as perfect – and five took concrete steps toward bringing groups to Macedonia. *Explore! Worldwide UK* has listed Macedonia in its 2005 catalogue, which is distributed to 30,000 clients, and *Urlaub und Natur* from Germany

⁵ Note that three LnC initiatives were inadvertently numbered differently on approval forms and the work plan. Numbering in 2005 of all cluster initiatives will be in the format – 2005-##.

⁶ This is the number on the initiative approval form and initiative report.

is offering a 16-day tour solely to Macedonia, and both firms include Macedonia in regional tours. Other foreign tour operators are still in discussion with Macedonian counterparts.

Initiative #6 – *Alternative Tourism Study Tour.* This initiative was cancelled because staff and cluster were offered a chance to attend the Hanover Fair for Alternative Tourism through GTZ, German development organization.

Initiative #7 – *Marketing and Promotion Improvements.* This initiative was postponed due to the FAM trip and other priorities, then was cancelled. Cluster members are being encouraged to use MCA's small grants program to hire local BSPs to assist them in improving their marketing and promotion. Skopje has a number of capable marketing and promotion firms, many with affiliations to international firms. Additionally, MCA has provided one-on-one assistance to cluster members to address specific requests.

Initiative #8 – *Hotel and Restaurant Scorecards/Training: Create a scorecard to measure service level in hotels, restaurants and implement training to address gaps.* Scorecards were developed and used by staff of MCA, USAID, foreign visitors and others to evaluate service levels in 37 hotels and 16 restaurants. The results were the basis for a series of service training seminars provided by Marc Yanofsky, IESC volunteer expert and former executive with an international hotel chain. He also provided one-on-one consultation to a number of cluster members. The cluster's Training Task Force also is using the results to identify specific follow on training. (This initiative was combined with Initiative #5.)

Initiative #9 – *Hanover Fair for Alternative Tourism: Develop single marketing brochure and present Macedonia experiences.* MCA used experiences selected in 2003's business plan competition for a high-quality four-color brochure of Macedonian tour offerings that was produced in English and German and distributed at the fair. Cluster members and Ines Curapova of the MCA staff were introduced to this niche market fair, gained insight into the German market and identified potential partners for future cooperation. Two tour operators met at Hanover attended the FAM tour, and one of those *Urlaub und Natur* is offering Macedonia in 2005. GTZ, German development organization, co-sponsored the initiative with MCA.

Initiative #10 – *Tourism Portal.* In collaboration USAID E-Biz/I-LEAD and MCA developed a tourism portal to present Macedonia on the web. Established as an e-biz center, the portal is primarily a resource for tour operators seeking contact and information. Makdonka Dimitrova (PED), Aleksandar Blagoevski Trazoff (IT), Dori Pavloska-Gorgieska and Mike Brennan (Tourism) were MCA's portal team. NextSense, an IT cluster member, won the bid to develop the portal, which was more complex than anyone expected. As a result, a prototype was presented in June. MCA contacted foreign tour operators who provided useful feedback on the portal and encouraged cluster members to join. The official launch, originally scheduled for September, took place in January 2005.

Initiative #11 – *Anti-litter campaign. Develop a campaign to increase awareness, present a clean up effort and conduct a round table.* A cleaner environment is critical to Macedonia successfully tapping the nature niche market. Therefore, prior to the April FAM trip, Ines Curapova led the cluster in organizing a clean up activity that was well received and supported by many groups, including the Ministry of Environment & Physical Planning (MoEPP). MCA PED conducted a publicity campaign at that time to increase awareness of litter in Macedonia and its effects on the economy and life.

MCA also convened a round table of government and non-government organizations (NGOs) and private businesses to share information and establish contacts. Two important results of

the meeting: Komunalna Hygiena joined MCA's Anti-Litter Task Force and MoEPP sponsored a media campaign on "reduce, reuse, recycle." The Anti-Litter Task Force agreed that a broader public awareness campaign was necessary, and Bill Oriol, retired public relations executive and IESC VE, helped develop an array of activities that could grab public attention and increase awareness. Due to timing issues, the task force postponed the national anti-litter campaign (milestone) to spring 2005.

Initiative #12 –DCC-Maastricht: *Present Macedonia's tourism potential Dutch partners.*

In cooperation with the Dutch Chamber of Commerce (DCC) in Macedonia, MCA cluster members and staff Ines Curapova met with Dutch tour operators, regional tourism information office representatives and other specialized travel organizations in Maastricht in May. Holland used to be one of the largest sources of tourists to Macedonia (more than 20,000 by air annually). As a result of the initiative, Dutch newspaper and television journalists visited Macedonia with plans to prepare stories on Macedonian tourism.

Initiative #13 – *Hiking/biking FAM tours. Present specific hiking and biking tours to specialized tour operators in autumn.* The cluster planned to offer additional FAM trips for tour operators specializing in hiking and biking in fall, a good season for such activities. Seven tour operators submitted programs, and *Kompas Skopje* (biking) and *Aurura Turs* (hiking) were selected. In calling potential tour operators for the trip, Dori Pavloski Gorgieska learned that most were busy leading tours and unable to take part, despite interest. As a result, the FAM tour was downsized to two large UK-based tour operators interested in hiking. One of those, *Regent Holidays*, announced in December that it will offer two tours to Macedonia in 2005/6.

Information Technology (IT)

Early in the year IT Cluster identified two separate focus areas: software and services companies and 3D animation. A cluster assessment completed by IESC VE Jerry Striplin concluded that none of the Macedonia IT software/services companies had the capacity to compete for major outsourcing contracts alone. Although quality firms, they are too small. Working in a consortium and showing one face to the client was the best strategy. The final result was MacedoniaIT consortium. MCA's work in 3D animation began with one firm, again too small to compete although producing a product that met "Hollywood standards." First step in the strategy was to build industry capacity by focusing on training new animators quickly. The result was the innovative [3D@E-Schools](#) program and by yearend, a specific Digital Media Focus Group within the cluster.

Non-initiative milestone – A preliminary report of IT's **baseline** data was presented to USAID by the end of June, as planned.⁷ MCA used a local BSP to collect data on the IT for the PMP and on cluster members for the Mission.

Non-initiative achievements – MacedoniaIT presented to a **potential Dutch investor**, Kooijman, who visited in December and plans to conclude a partnership with a Macedonian IT company in early 2005. Kooijman saw the seriousness of the consortium as demonstrating Macedonia has a business environment where the firm can work successfully.

The Macedonian government's KIT (Committee for Information Technology) officially recognized the cluster's **e-Government** Task Force and included the task force in creation of a National IT Strategy for Macedonia.

⁷ The final report of Baseline Studies was submitted in October with baselines statistics for LnC, Tourism, IT and Wine.

MCA raised awareness among **university** leaders of the importance of innovation and primary level research. MCA, cluster members and the university are working together to develop necessary steps to raise the level of technical education in Macedonia. As a result, at least seven student eMarketing projects were completed by the E-Business Department and leading IT companies.

Initiative #1 – *MASIT Open Days.* The Macedonia IT association (MASIT) requested assistance from MCA as it prepared for its annual conference, which would include launching a regional IT association. MCA provided staff and financial support to this successful effort. The newly formed MacedoniaIT consortium brought together leaders from Romania, Bulgaria, Serbia, Croatia, Greece, Turkey and other countries and enhanced Macedonia's relative position in the region. This set the stage for later sharing across borders, especially with the Serbian and Bulgarian IT clusters, and for a strong relationship between the association and MCA and NECC.

Initiative #2 – *Build MASIT capacity. Design, implement baseline data gathering.* This initiative contemplated training MASIT to conduct MCA's baseline for the IT industry. Because members feared that sharing proprietary information with MASIT would compromise them competitively, MCA hired a non-MASIT business service provider to conduct the baseline. Discussions around the topic were enlightening and useful to MCA and MASIT as they worked together during the year.

Initiative #3 – *Distance Learning. Train 3D animators using existing school laboratories.* Through a World Learning-sponsored study tour to Los Angeles, the Macedonian firm now called fx3x, which specializes in animation and special effects, met Brad DeGraf, industry consultant, and learned: (1) its product met the demanding standards of Hollywood; (2) to compete, the 14-person firm needed about 100 animators; (3) the window of opportunity was small with India and other countries as competitors. DeGraf proposed to jumpstart training new animators by using distance learning through the proposed 90 high school labs being set up by USAID E-School.MK. A teacher in one location could train students around the country. (The Chinese government had provided the computer equipment.)

With strong encouragement and support from CTO Elizabeth Markovic, MCA spearheaded a consortium of USAID projects (PRISMA, E-Schools, CSHI and MCA) to design and implement the 3D@E-Schools training program. Basic animation would be taught in high school labs; advanced training would be conducted in a specialized lab at the newly established Digital Media NGO. Delays in setting up the school computer laboratories pushed back the dates of the pilots, forced a change in teaching model and reduced the number of sites. Digital Media NGO staff conducted 'train the trainers' for Skopje-based high school IT teachers, who would use CD/ROMs to teach the course. By June more than 300 students participated in a pilot of the basic animation training at seven Skopje schools. In the fall the best 50 students went on to advanced animation training at the Digital Media NGO lab. At yearend, plans were under way to train more than 90 teachers from outside Skopje in cooperation with E-Schools and World Learning, and about 40 high schools were preparing to offer basic animation training, making the basic training program sustainable.

Publicity about the training program and visits to Macedonia by DeGraf and another industry consultant Julia Frey spread the word on the cluster's interest in digital media. By fall 13 companies had formed a Digital Media Focus Group within the cluster. And eight companies, following the MacedoniaIT model, had formed a consortium and were negotiating their first contract.

Initiative #4 – *Enabling Innovation.* Local cluster adviser Aleksandar Blagoevski Trazoff and a staff person from the university technology department attended a technology transfer conference at Carnegie Mellon University (CMU) in Pittsburgh PA. They identified the need for Macedonia's university to develop technology transfer policies as well as developed a working relationship with CMU. This initiative helped strengthen the relationship between MCA, the cluster and the University of Sts. Kiril & Metodius in Skopje.

Initiative #5 – *Consortium Building.* A cluster assessment completed by IESC VE Jerry Striplin concluded that none of the Macedonia IT software/services companies had the capacity to compete for major outsourcing contracts alone. Although quality firms, they are too small. Working in a consortium (MCIT) and showing one face to the client was the best strategy. In response to a specific enquiry from one of the top banking software developers, Fiserv, a group of cluster members formed a consortium to present Macedonia's capabilities. Several meetings were held, including in Macedonia with a top Fiserv executive. He was favorably impressed by a comprehensive guide to doing business in Macedonia that was prepared by Blagoevski and Dejan Janevski, NECC adviser. Although the consortium was not able to close the deal, they had learned how to work collaboratively and understood the value of such efforts. This led to a more formal consortium and expanded the scope of the initiative.

Members of MCIT changed the consortium's name to MacedoniaIT and undertook an ambitious new business development format, road shows to key Western European cities to present Macedonia to potential foreign clients. They also established the first cluster web site, showcasing consortium members and the consortium's unique selling proposition

After cold call training, four MacedoniaIT firms arranged appointments in Vienna, then presented the consortium to six clients, including the Vienna stock exchange, and captured several qualified leads. Following on that success, a second trip to Munich and attendance at a trade fair in Frankfurt were planned.⁸ A planned November trip to Zurich was postponed to January 2005 due to time constraints. The consortium members had a number of follow up meetings scheduled with existing qualified leads. At yearend, results included five active prospects – IBM Global Purchasing System Group, Fiducia, T-Systems, SAP, and Bank Austria Credit Anstalt.

Initiative #6, #7, #8 and #9 – *Market learning on market research; Professional Management Training; Outreach to Other Cluster, and Human Resources Development.* All of these originally proposed initiatives were changed. Market Learning on Market Research became part of Initiative #5. Professional Management Training and Human Resources Development will be included in the cluster's 2005 initiatives and re-numbered. Outreach to Other Clusters is being accomplished informally.

Initiative #10 – *Trade Fairs.* Trade fairs provide opportunities to present Macedonia and its products/services, to learn more about the market, and to see what competitors are offering first hand. By joining cluster members at a trade fair, MCA staff can support the cluster members, see first hand how Macedonia and its companies compare with their competitors, and learn more about the market and competition. Under this initiative, MCA supported Romela Popovic Trajkov, cluster adviser for digital media, to attend SIGGRAPH 2004 international digital media conference and trade show with representatives of fx3x companies and Digital Media NGO in August. Consultants Brad DeGraf and Julia Frey also assisted

⁸ After two weeks of cold calling, three firms decided they were unable to schedule sufficient meetings to carry out the trip, and it was cancelled. They did attend the SYSTEMS fair in Frankfurt.

them at the show, and Frey designed and implemented a training program for them. World Learning was a co-sponsor of the cluster's participation.

The results of this initiative have included new contacts, leads and contracts, including work for fx3x on Martin Scorsese's Oscar-nominated film *Aviator*. Direct contact with representatives of Alias software firm from Toronto was the impetus for a series of meetings in Toronto in early January 2005 to discuss collaboration among companies, educational institutions, USAID and the Canadian International Development Agency (CIDA).

Initiative #11 – Assessment, Strategy & Plan for Digital Media Focus Group. To learn about the digital media marketplace and build local capacity, MCA's strategy first focused on firm level assistance to fx3x and [3D@E-Schools](#) training program. This helped ensure a robust commercial pipeline and increased capacity. To broaden the digital media effort and effect, MCA organized a return visit of IESC consultants Brad DeGraf and Julia Frey in October to provide an assessment of capacity in the industry and a plan for developing capabilities. During their trip, the pair met with 13 digital FX and animation studios. Their report concluded that significant capacity existed among several local companies and outlined potential areas for development.

Following the plan, MCA convened several meetings of the digital media studios in November and December. At the end of December with assistance of Romela Popovic Trajkov, IT cluster adviser, a charter was completed for a new association MADE (Macedonian Association for Digital Entertainment). DeGraf identified a potential client prospect, Mondo Media, and five companies from MADE began to work on a test for their animated series, "Happy Tree Friends."

Wine

Less than a week after its kickoff meeting in mid-March,⁹ four winery members of the Wine Cluster attended a wine tasting in Serbia – and one walked off with first place in red wines as judged by a group of French sommeliers. Throughout the year the cluster focused on quality improvements – both viticulture and viniculture – using experts John Bree and David Stevens from the US and Graham Dixon from Australia through cooperation with USAID Land O' Lakes. Three wineries – Bovin, Skovin and Fonko – joined three Macedonian dairies at SIAL Global Food Trade Show in Paris where they learned first hand about the highly competitive wine export market and gained potential clients.

Non-initiative milestone – Industry exports of bottled wine is the metric used in the PMP for Wine. Baseline data was collected from the Statistical Office on the industry for the PMP and from cluster members for the Mission. These were presented in the Baseline Reports document to the Mission in October, slightly later than planned.

Through a transparent process, the Cluster Leadership Council was elected in July.

Non-milestone achievements – A joint MCA-Agland Industries team completed an **industry assessment** in April. (Agland is a partner to LOL.) IESC consultant John Bree, a California grape grower and vintner, worked with grape growers. Agland's Graham Dixon concentrated on wineries, and their Bill Scott's specialty is marketing. They identified four needs: improvement in wine production and sanitation; mindset change regarding winemaking

⁹ Wine was announced at the September 2003 Summit as a cluster to be supported by MCA. However, because MCA needed a waiver to work with wine, the kickoff was delayed until February 2004. In keeping with the terms of the waiver, MCA is focusing on improving wine quality and exports to the region only.

techniques to meet consumer preferences; greater understanding of initial eye-appeal necessary for in-store sales; and establishing solid relationships between wineries and grape growers.

Bree developed a **sample grape purchase contract** that would establish new conditions for grape purchases. The result of such contracts would be to improve wine quality, establish longer-term cooperation between wineries and growers, and changes in viticulture toward sustainable grape growing. The contract was met with favorable interest by the wineries and some growers. MCA facilitated a meeting between growers and Tikves, Macedonia's largest winery, in May. Tikves set sugar-content requirements in its contract in 2004. Skovin signed contracts with individual wineries that own large plantations as well as companies that own large vineyards.

David Stevens, US winemaker and consultant, worked with wineries and growers on **quality issues** in late September to coincide with the harvest. He visited 10 wineries and inspected vineyards of their suppliers, making detailed inspections of the process from harvest to bottling. He provided advice to winemakers on improving practices for harvesting, delivery, primary processing of grapes as well as practices related to fermentation, storing and aging. Stevens delivered a half-day workshop on Basic Sensory Evaluation of Wines for winemakers. A basic tool – an aroma wheel – was translated into Macedonian, which will help to standardize descriptions with the global market.

Initiative #1 – Market Learning: Wine Tasting in Belgrade. The cluster had just formed in mid-March when members were offered a chance to test their wines against others in the region. The Sommelier Association of Serbia and Montenegro sponsored a competition, “First Gourmet Journey Wine Challenge Cup” among 15 wineries from the region. A group of French sommeliers judged the 49 wines and rated Cekorovi Winery's Vranec the best red wine. Cluster members gained feedback from the jury, helping them identify necessary improvements. They also learned about the competition in Serbia and established good contacts for future cooperation.

Initiative #2 – Market Learning Through Market Research. Secondary and primary market research were undertaken to help cluster members identify a test market. General information gathering on nine countries was accomplished through “desk research,” mainly reviewing readymade reports, many of them free. MCA engaged local BSPs in three countries to undertake primary research, a prepared survey and follow up telephone calls. Seventy to 100 wine distributors in the UK, Holland and Russia were contacted. As a result of the research, the cluster was most interested in Holland and the UK markets. One Dutch distributor requested samples, which were provided, but decided not to follow up further. Unfortunately he would not provide specific feedback on the wines despite cluster adviser Iva Orceva's efforts to obtain this valuable information.

The initiative helped cluster members gain knowledge about the markets and created conditions to help them focus more. They have a better understanding of how to penetrate new markets and increased understanding of the importance of market research.

Initiative #3 – Promotion of Macedonian Wines in Austria. Through contact with a woman from the Macedonian Diaspora who distributes wines in Austria, three Austrian wine writers visited Macedonia in May. The journalists represented publications that shape the opinion of consumers and decision makers in gastronomy in Austria. Cluster leaders Mike Brennan and Iva Orceva and PED's Makedonka Dimitrova prepared a wine tasting event where 11 Macedonian wineries presented their wines. They also arranged for the writers to visit Macedonian wineries and vineyards. Lengthy, favorable articles with photos appeared in all

three publications. The Austrian distributor offered to conduct a wine tasting and winery tours in Austria for cluster members. Because of a timing conflict with their commitment to SIAL trade show, they were unable to take advantage of this opportunity.

Initiative #4 – *Quality Improvement: Winemakers Workshop*. This two-day workshop in late July exposed winemakers to techniques and styles appropriate to western markets through a practical wine tasting of premium and mid-range foreign and Macedonian wines. Dixon and Bree conducted the workshop, which also covered presentations on sanitation, oxidation, the use of oak in winemaking and other issues of concern to Macedonian winemakers. Bree and Dixon conducted individual meetings and winery and vineyard visits to give practical advice to wineries and growers.

The workshop identified the significant difference between Macedonian winemakers' preferences and those of the western markets they want to penetrate and set the stage for future technical and marketing assistance.

Initiative #5 – *Ohrid Wine & Cheese Festival*. Because wine is a natural accompaniment to cheese, LnC invited the Wine Cluster to take part in its planned mid-summer festival. Eight wineries of various sizes took part in the festival, which attracted some 3,000 visitors over two evenings. The wineries sold more than 1650 bottles of wine at an average price of \$3 per bottle. The event provided a low cost promotion possibility and a chance to get feedback directly from customers.

Initiative #6¹⁰ – *Market Learning: SIAL Global Food Trade Show*. Cluster leader Iva Orceva and two interns provided considerable support to three wineries who attended SIAL in mid-October. At a pre-event workshop cluster members were clearly advised on what SIAL and other major trade shows look for. Bovin, Skovin and Fonko exhibited at the trade fair, gathering more than 60 enquiries from potential clients in various countries. As a result of SIAL, MCA received a request from *Euro Wine – The European World-Wine Business Magazine* and is following up. This bi-lingual magazine is read by wine distributors in more than 20 countries in Europe, North America and South Asia and is displayed at the biggest wine trade fairs in Europe.

Gathering competitive intelligence is an important aspect of any trade show, and at SIAL the MCA team was able to obtain information on product positioning and prices of competitors from Italy, France, South Africa, Chile, New Zealand and Argentina and shared it with cluster members.

Initiative #7, #8 and #9 – *Market Learning: Countries to be determined; Incoming Buyer and Media Visits; and Marketing Promotion Improvement and Training*. These initiatives were identified by short-term wine cluster adviser Mike Brennan with tentative dates. They were postponed until an Export Readiness Assessment can be completed; it was scheduled for the January-February 2005.

Apparel

MCA's newest cluster has made an impressive start since its selection at the end of September. The cluster is focusing on two tracks to become more competitive: by introducing new production processes to reduce costs and throughput time and by introducing more high value-added products, including those with Macedonian brands.

¹⁰ This initiative was inadvertently identified as Initiative #2 on the approval form.

An eight-person leadership council has been elected in an open and transparent process led by cluster adviser Dejan Antic. Three task forces were launched (Marketing, Production and Governmental Relations). Cluster members met with representatives of the International Monetary Fund (IMF) and Macedonian customs department to stress the importance of reducing raw materials required for apparel exports. (The cluster had brought this issue to the attention of the NECC early in the year, before it was selected.)

By yearend the cluster had submitted only one initiative for approval – to implement a “Joint Exhibition at a European Trade Show.” That trade show is the Milan “Ready to Show” Fair to take place in March. Through a competitive process, MCA hired a local BSP, Indigo, to support cluster preparations. This included hiring a design consultant as well as providing help with catalogs, advertising and communication, and logistics and support. MCA’s senior competitiveness adviser, Dane Smith, is lead consultant for the Apparel Cluster.

Working with Local BSPs

Within MCA, business service providers (BSPs) have two distinct functions: to provide services to cluster and other project components paid entirely or partially by MCA, and to gradually evolve into market-based providers of services under contract with individual businesses and cluster organizations. Throughout the year, MCA issues RFPs to use BSPs for a variety of services – from gathering baseline information to implementing the Second Annual National Competitiveness Summit. At no time did MCA lack bidders for an RFP. However, occasionally bids or proposals were sub-standard in their presentation.

A needs assessment conducted early in the year by MCA showed that BSPs have relatively high technical skills but are often lacking in business skills. MCA developed and conducted several seminars and round tables to help address these needs. For example, one round table addressed how to respond to an RFP, a high priority identified by BSPs.

Milestone – The milestone of establishing a self-regulating organization (SRO) for BSPs is “on hold.” Macedonia has a number of BSP associations, such as MCA 2000 for consultants. As a result, Romela Popovic Trajkov, MCA BSP staff, determined that establishing a new SRO might be less welcome and effective than identifying how to work with existing associations. In addition, MCA learned that other donors are also interested in upgrading the quality of BSPs through an SRO mechanism. Therefore, MCA decided to work toward attracting other international donor organizations to support this effort and contacted them. They were open to combining efforts, and a donor meeting was held. Besides MCA, SEED, GTRZ, BAS and the EU Agency attended. The Macedonian Agency for Support of Entrepreneurship agreed to host a “donor coordination meeting,” then left his position. The position was not filled until the end of the year. In December Popovic-Trajkov turned over her responsibilities to Agim Salja, who will contact the new SME agency head to determine his interest in pursuing the donor coordination meeting.

Grants Program

A small grants program was launched in the March to support cluster development. Grants are made on the basis of potential contribution to increased exports, expected sales revenue and impact on the cluster’s overall goals. Slobodanka Velickova, grants administrator, presented the program to each cluster and met individually with cluster members as requested to ensure broad understanding of the program, its procedures and goals. Cluster members

showed strong interest in the grants program. However fewer than expected have completed the process, often submitting incomplete applications.

The first grant was for computer equipment to support the advanced animation laboratory of the [3D@E-Schools](#) program; Digital Media NGO was the recipient. Four additional grants have been made to a winery and three IT companies.

Component E: Coordination and Synergy (with USAID and Other Donor Activities)

A hallmark of MCA work style has been to collaborate and cooperate with other USAID projects and activities of other donors and organizations. Most notably, MCA has worked on several projects with USAID's CSHI, E-School.MK, I-LEAD/e-biz, LOL/Agland, Aid to Artisans, World Learning, SME Commercial Finance Fund, Corporate Governance & Law, and Peace Corps. Other donors/donor activities that MCA has worked with include two Swedish development projects (ScanAgri and SFARM-2), SEED, the Austrian Development Agency, GTZ, European Agency for Reconstruction and IMF. MCA has worked with the Macedonian ministries of Economy; Environment & Physical Planning; Finance; Education; Agriculture; and Culture. The scores of other entities that MCA has worked with include cities and towns such as Ohrid, the embassies of China, Switzerland, Greece, Slovenia, Austria, Bulgaria, Serbia and Poland; a number of environmental NGOs; and the University of Sts. Kiril and Metodius.

Component F: Gender

MCA addresses gender with several strategies. First, the project provides examples to clients, partners and the public of achievements of women in the work place. This may be through placement of articles in the public news media as well as its newsletter *MCA Direct* or selection of speakers and presenters at seminars and meetings. The project also tries to sensitize cluster advisers and cluster members to the impact of gender in the activities of competitiveness initiatives. For examples, baseline reports for LnC and IT clusters included analysis on the participation and role of women.

Each MCA cluster has developed gender indicators and is monitoring progress. The highest participation by women is in Tourism, especially decision-making and ownership. Notably, the IT cluster has the highest rate of participation of women in events (e.g., trade shows) and training, which gives hope for increased participation by women in decision-making and ownership in the future.

Overall, 100 women were trained at different workshops and seminars organized by MCA during the year. Additionally, 17 of 36 interviews in written and electronic media given by cluster members were done by businesswomen active in the cluster. This provides higher visibility to women in the business environment and can influence the public perception of women managers. The [3D@E-Schools](#) training program allowed 136 girls to be trained in the basics of animation, comprising 40 percent of the total students who attended the classes.

Component O: Project Management

Four short-term expat advisers completed their lengthy assignments during the year: Kevin Newman, competitiveness adviser to LnC and IT Clusters, and Mike Brennan, competitiveness adviser to Tourism and Wine Clusters, both from ontheFrontier (otF); and Neal Nathanson, BSP adviser, and Tony Dalglish, agri-business adviser working with LnC,

both from ARD. As the cluster advisers left, those clusters reported to Chief of Party Suzi Kanyr Hagen of Booz Allen Hamilton (BAH), rather than Senior Competitiveness Adviser Dane Smith of otF. John Mennel of BAH joined the team as senior IT adviser and deputy chief of party. Ana Nikovska, lead NECC adviser, resigned to accept a position in London. MCA completed its contract with IESC, and IESC coordinator Dejan Antic become cluster adviser to the Apparel Cluster. Agim Salja took over full responsibility for BSPs, so Romela Popovic Trajkov could dedicate full time to the burgeoning Digital Media Focus Group.



Macedonia Competitiveness Activity

2005 Work Plan

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

NECC Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

1 1 1 1 1 1 1 1 1 1 1

- 1.1 Support MCA clusters' high priority requests
 - 1.1.1 Hold regular monthly meetings with CLC teams
 - 1.1.2 Support to non-MCA clusters

- 2.1 Campaign to attract leading business school to MK
 - 2.1.1 Implement campaign/contact schools in cooperation with MMBA, AmCham, others
 - 2.1.2 Engage the MK diaspora
 - 2.1.2.1 Outreach program implementation (w/PED)

- 3,1 Collect data
- 3,2 Analyse data
- 3,3 Write draft report
- 3,4 Round table 1
- 3,5 Round table 2
- 3,6 Collect and incorporate comments from draft report
- 3,7 Publish final report and promotion

- 4.1 Establish Secretariat / register legal entity
- 4.2 Hire transitional ED
- 4.3 Secure initial funding from MoE and Swiss
- 4.4 Secure USAID funding 1 year salary funding for ED of the Secretariat
- 4.5 Hire Executive Director

M(31 DEC 04)
M(27 JAN 05)
M(30FEB05)
M(15MAR05)
M(30MAR05)
M(30APR05)

M(30 JAN 05)

- 4,5,1 Agree on job description/profile
- 4,5,2 Publish announcement/open recruiting
- 4,5,3 Interviews and selection
- 4,6 Identify/secure future funding commitments for the Secretariat
- 4,7 Hold regular NECC meetings/round tables
- 4,8 Represent MK at regional meetings/events
- 4,9 Consensus-building and strategy (Study Tour/retreat)

M(31 DEC 04)
(17 JAN - 10 FEB 05)
(10 FEB - 04 MAR)

1 1 1 1 1 1 1 1 1 1 1 1

1

- 5,1 Reporting for USAID and PED
- 5,2 Continue MK inclusion in the WEF report
 - 5,2,1 Transition WEF to the Faculty of Economics

THE



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Lamb and Cheese Cluster Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Recent Trends

- Moving from Agriculture Commodity-based Strategy to become Specialty Food Industry exporter.
- Cluster begin to export high-end specialty cheese products to key regional and international markets (Albania, America, Australia)
- Premium product upgrades for lamb and market expansion in the Greek market.
- Potentially the number of EU & Third country certified dairies will increase in the following years.
- Outlining steps towards creating sustainable National Lamb and Cheese Industry Cluster.

Status of LnC Cluster – December 2004

Current outlook:

- Key companies motivated to export specialty cheese products into Regional and International markets.
- Cluster members using market research information as a indicator for establishing distribution networks in other export markets.
- SIAL participation represents an ideal opportunity for cheese companies to define their future branding and export promotion strategy/concept.
- Increased cooperation w/ Sheep Herder / Regional Associations and other partners (LO'L, SFARM) on the issues of the Greek test market.
- Local lamb producers begin to understand the importance of selling lambs directly to the high- end segments in the Greek and Italian market.
- Discussions w/ Gov't institutions (MoE, Ministry of Agriculture, Veterinarian Institute) positive and productive.
- Cluster members increasing the dialogue/ cooperation within the cluster and the working group.

Obstacles ahead

- Slow movement in exports due standards/certification issues.
- Only few dairies are eligible to export products outside the country.
- Technical difficulties (traceability, HACCP) in implementation of the Greek test market for MK lamb.
- Cluster understanding the importance of independent sustainable cluster structure without direct support from MCA.

Cluster Initiative LnC – Cheese Marketing

<i>Activity</i>	<i>Description</i>	<i>Milestone</i>	<i>Participants</i>	<i>Percent Completed</i>	<i>Approx. date</i>
1. Serbia & Montenegro (Kosovo) Market Research	<ul style="list-style-type: none"> Conducting market research in Cluster targeted regions of Serbia & Montenegro and Kosovo Demonstrated to cluster members the market potential in Serbia & Kosovo, segmented by Food distributors, Premium Cheese Sellers, and Gourmet Grocers Provide example to cluster members the value of consumer research Developing an action plan for penetrating in the regional markets identifying immediate trade opportunities of premium MK cheeses in the regional markets 	2 dairies sign contracts with clients from the region Total export 200,000 US\$	Cluster members, meat & dairy associations representatives MCA, BSP's.	10%	May 2004
2. Ohrid Cheese and Wine Festival.	<ul style="list-style-type: none"> Assisting the members of Sheep farmers Association to take their products direct to the market, where potential exist to sell more cheeses at higher prices and increased profits Sheep farmers will gain first hand marketing, promotional and selling experience of how to sell their products direct to the buyers. The opportunity for the Cheese and Wine to represent a major annual event in which the participants will be able to sell larger volumes of their products with increased profits. 		Representatives of regional shepherders Association, cheese cluster members, wine cluster representatives, MCA, LO'L, SFARM, Ministry of Economy	20%	July 31 August 1,2

<i>Activity</i>	<i>Rationale & Benefits</i>	<i>Milestone</i>	<i>Participants</i>	<i>Percent Complete</i>	<i>Approx. date</i>
3. Participation at one large international trade fair (ANUGA)	<ul style="list-style-type: none"> Providing an opportunity for most promising cheese producers to present their products to buyers at one most significant international trade fair (US, EU) Assisting cheese exporters to meet international clients and open up new export opportunities in as many countries as possible. To enable the cheese producers to understand the competitiveness advantage of their products as well as evaluate competitors marketing strategies including information's about packaging, pricing, Labeling etc 	Penetrate with test market in two new international markets. Expanding the existing export markets by establishing new contacts with clients and buyers. Total export sales of 300,000 US\$	Top cheese companies, MCA, Ministry of Economy, BSP's		October 2005

Cluster Initiatives LnC – Lamb marketing

<i>Activity</i>	<i>Rationale & Benefits</i>	<i>Milestone</i>	<i>Participants</i>	<i>Percent Complete</i>	<i>Approx. date</i>
1. Greek Lamb test market	<ul style="list-style-type: none"> • "Higher value' marketing opportunity for selected group of industry players to ship 1500 lambs to an identified supermarket buyer in Greece • Opportunity for testing the market in Greece with 1500 lambs by selling top quality lambs during the 2006 Eastern season directly to one of the largest supermarket groups in Greece • Opening an opportunity for greater volumes and more sustainable profitability for organized group of players in the Macedonian lamb industry • Macedonian spring lamb will be able to secure higher prices and far more professional marketing strategy approach in the Greek lamb market 	~ Sell 1500 lambs to a high- end Greek Supermarket group, enabling farmers to increase their profit margins from 15-20 %.	Lamb producers members of Eastern and Western Shepherders Association, Slaughterhouse s, LO'L, SFARM2, MCA, Gov. Institutions, BSP's.	20%	Eastern 2006

Cluster Initiatives LnC- Cluster Effectiveness

<i>Activity</i>	<i>Rationale & Benefits</i>	<i>Milestone</i>	<i>Participants</i>	<i>Percent Complete</i>	<i>Approx. date</i>
1. Export Licenses for Dairies	<ul style="list-style-type: none"> Identify potential candidates by developing a scorecard that will rank the producers based on production standards and export potential readiness (brand, cash flow, PR, Investment) Engage top EU Consultant to inspect the selected dairy plant and provide compliant recommendations according to the EU regulations. Monitor the process of EU implementation and certification. 	Certification standardized across 2 top export firm	Cluster Members, MCA, LO'L	30%	Dec 2005
2. Cluster Leadership Council meetings	<ul style="list-style-type: none"> Leaders required to updated strategy and make recommendations on Task force activities and to NECC in order to remove strategic obstacles for meeting cluster goals 	- Meeting held	CLC	40%	1 st week every month



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Tourism Cluster Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Where are we now? – Results 2004

The Beginning

**Focus on Outbound
tourism
Compete on Price**



Today

**Build Awareness of
Appealing
Macedonian tourism
programs**



Tomorrow

**Offer Unique
Macedonian
Experiences to
High-paying tourists**

Results for 2002:

- Focus on outbound tourists -
- heavily reliant on Diaspora
- Limited efforts with inbound
tourists, no TOs abroad since
1990 promoting Macedonia
- No coordinated effort to
target niche markets or bring
in regional tourists

Results for 2004:

- Promotion at Hanover and
Maastricht
- Successful Diaspora trip
- FAM trips; Contracts with
Explore and Regent Holidays
- Clean-up activity directed for
Nature-Adventure
- Assisted with Web Portal
- Assisted with Stobi Center
- Dutch journalists for *Le
Telegraph*
- Service trainings.

Results for 2006:

- Offer unique cultural and
adventure experiences to
“wealthy, experienced”
tourists
- Experiences integrate well-
coordinated efforts by
multiple cluster members
- Cluster to partner with sele
group of foreign operators
who understand, value and
sell unique Macedonian
experiences

Our GOAL – Where do we want to go?

**SUSTAINABILITY of process
and increase number of tourists (\$\$\$)!!!!**

Assess capacity of existing associations for carrying on process

Increase awareness of Macedonia in selected markets

Promote Macedonia as an attractive destination

Contracts with renowned established foreign tour ops

Increase (in-house) levels of service

Our GOAL – How do we get there?

GO OUT AND GET THEM!!!

Tourism CLC – plan development for 2005/2006 and sustainability options

Short Term Follow-up with already established contacts (FAM trip April 04)
Support already penetrated markets and focus on PR;
awareness and promotion in those markets;

- Focus on new potential market & develop contacts;
- Offer support to developing market;

Benefits:

- Cash-in on already made investment;
- Make an impact;
- Raise awareness of MK;
- Nurture relationships;
- “Give it all you got!”

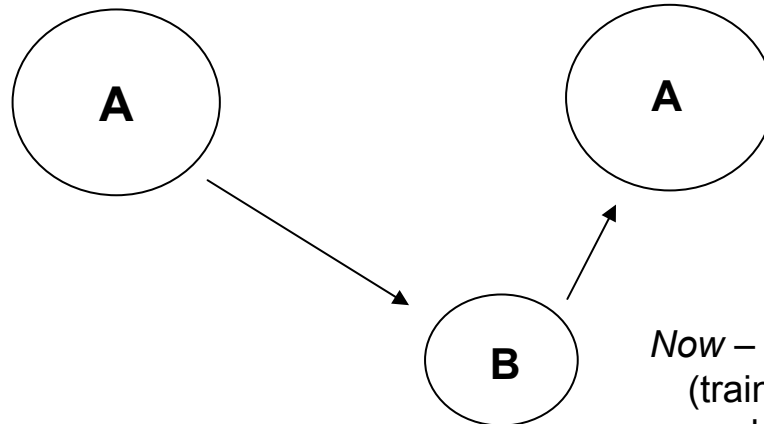
Our GOAL – How do we get there?

Long Term

Invest in raising levels of quality of service and hospitality (what can we do to make MK more appealing and be able to service our potential customers?)

- Offer training programs (guides, hotels, customer service etc.);
- Logistics and infrastructure (anti-litter campaign);
- Assess and work on development of other projects (in-house) that can become “A” in time and will be a selling product that will give MK a competitive edge.

Now – focus on immediate results (focused, give an impulse in industry and raise interest - \$\$\$\$)



B becomes A in “x” years

Investment has paid off and created a product that can be sold as a competitive value added product for appropriate target markets

Now – backburner (trainings and archaeology project)

Getting there – Plan for 2005 – Short term initiatives

1. Support existing markets and cash-in on investment

Journalist trip – UK & Germany

- Follow-up report on FAM '04 TO's – through publicity in UK;
- Research and invite journalists from target markets – specialized magazines, high distribution / broad outreach;
- FAM trip in Spring 2005; show the best of MK;
- Follow-up and seek results.

Milestones

Jan 31st - research completed;

February – invite and relationship investment (itinerary ready);

March – prep for trip and materials / finances;

April / May 2005 – FAM TRIP

May – onward – Follow-up

- **MoE** - support (promotion and financial)
- **PED involvement** - to promote and organize media buzz in MK

Getting there – Plan for 2005 – Short term initiatives

2. Focus on market – UK and Germany

DERTOUR project

- DERTOUR MK specific brochure
- Distribute to 10,500 TA's and 400 branch offices in Germany and 10 DERTOUR international rep offices (New York, L.A.; Denver, Toronto, Sidney, Rome, Madrid, Paris, London and Moscow);
- Brochure valid through April 1, 06 / March 31, 07 period.

Milestones

March – DERTOUR contract

March to June – product content development

June to Oct – design, layout and print of brochure



Nov / Dec – distribution and promo of brochure to DERTOUR reps

March 2006 – ITB fair in Berlin – promotion

- **PED involvement & Translators** - for media and brochure editing/proof
- **GTZ** -for ITB 2006 and financial support for project / new contacts

Getting there – Plan for 2005 – Long term initiatives

3. Anti-litter campaign – “Anti-litter week”

Day 1	Day 2	Day 3	Day 4
<ul style="list-style-type: none"> • Distribution of new garbage containers throughout Skopje/MK and painting; • Painting old containers and placing along roadsides; • Signage and posters on sites with a clear message • Sponsors: Komunalna Higiena and local Gov't <p>For entire program:</p> <p>Milestones:</p> <p>Jan 21st – plan complete</p> <p>Feb. – March – Apr. – planning</p> <p>May – campaign week</p> <p>*Day 2 activity starts Jan to capture as many schools in MK</p>			
	<ul style="list-style-type: none"> • “Grevce & Ubavce” presentation in 15 schools throughout MK (5 per day) • Free coloring books for 1st and 2nd graders 	<ul style="list-style-type: none"> • A 15 Km walk for cleaner Macedonia ??? 	<ul style="list-style-type: none"> • Clean up event at Straza • “BIG BANG”
	<p>PED involvement pre and post campaign (help with media coverage, buzz creation, mkt materials Feb 15th till end of campaign);</p> <p>MCA staff – week prior and post campaign (the week of clear your calendars)</p> <p>MoEPP – sustainability – do it next year!</p>		<ul style="list-style-type: none"> • (Skopje ZOO)???

Getting there – Plan for 2005 – Long term initiatives

4. Training

- Seeking proposals (in areas of management and quality standards and standardizing / certification);
- (six month) Training program starting in Spring 2005.

Milestones

- To be identified

BSP involvement - capacity building;

Tourism High School - to ensure “train the trainer” process.

Next steps & sustainability

Next steps:

- Follow-up with existing contacts and work towards results;
- Support through promotion and overcome identified obstacles (journalist trip)
- Measuring results:
 - Follow-up, follow-up / cluster measures through regular one on one meetings to get over issue of trust and competition.
- Evaluate existing associations (ATAM / HOTAM / CLC / MoE) capacity; pro's & con's;
- Identify a path for carrying forward (choose best option) or none! - **IESC**

NECC assistance in getting MoE to realize importance of tourism industry; increase budget and specifically assist in funding for **COUNTRY BRANDING and PROMOTION** – details to follow.

2005 Tourism Work Plan – Ines Curapova

Initiative	Objective	Timeline	Partner	Cost share	Measure of success
1. MARKET DEVELOPMENT and PROMOTION / MARKETING					
Support already penetrated (UK) market and support developing/potential markets (Germany)					
1.1 Follow-up with established contacts (FAM trip April 04)	Cash-in on already made investment and try to secure contracts w destination TO	Jan 15 – Feb 15, 2005	MCA staff	N/A	# of signed contracts (domestic TO) w/ foreign destination TO
1.2 Journalist trip UK & Germany (developing market) PR Campaign (other media coverage vehicles in UK – BSP support) e.g. target in-flight magazines; radio, etc.	Support UK sales market (Explore!) and penetrate German market - by raising awareness / promotion of MK as an attractive tourist destination	Jan 15 – TBD	PED; MoE	MCA & MoE MCA est. cost \$10K for trip + \$15-20K for PR campaign	# of stories / articles published promoting MK as a tourist destination # of people reached
Penetrate new target market					
1.3 DERTOUR project	Secure contract w/ DERTOUR re MK specific catalogue for their feature destination in 2006/07....promote MK; raise awareness; bring in tourists	All year till Jan 2006	MoE; GTZ; PED	MoE; GTZ; cluster members and MCA MCA est. cost \$10-15K	MK DERTOUR catalogue distributed over all rep and client agencies 11,000 and 10 rep offices internationally

Initiative	Objective	Timeline	Partner	Cost share	Measure of success
<p>1.4 ITB Berlin 2006 trade fair (and journalist trip see 1.2) – use trade press</p> <p>1.5 Training on Fair representation (negotiation skills, sales skills, market research)</p>	To promote MK and support DERTOUR – sell MK at one of largest and most renowned trade fairs	<p>March 2006</p> <p>Nov – Dec 2005</p>	GTZ; MoE; ATAM	<p>ATAM (cluster members) GTZ (MCA minimal)</p>	<p># of inquiries from end customers and other TO's</p> <p># of signed up tourists</p>
2. RAISING QUALITY LEVELS OF SERVICE AND PRODUCT IN-HOUSE					
Anti-litter program/campaign					
2.1 Anti-litter program - Raising awareness about the litter problem in MK and its impact on tourism	To educate and raise awareness regarding litter problem and stimulate the MoEPP to take ownership as well as the general public	<p>Jan 15th – May 28th 2005</p> <p>Sustainability till July 2005</p>	MoEPP; PED; MCA staff and TC members / private entity sponsors; Peace Corps; Local Gov't	<p>MCA; TC; private entity sponsors</p> <p>MCA est. cost \$5K</p>	# of media coverage and local Gov't and MoEPP taking over responsibility for future execution
Training					
2.2.1. Tourism management training	Increase knowledge, skills and abilities of the tourism management in the areas of marketing,	Jan 17th 2005- June 15th	BSP, educational institutions, TC members, MCA	TC, MCA MCA est. cost \$5K	Increased # of tourists and sales as a result of the increased knowledge, skills and

	management and quality standards and with that provide conditions for improved results in the lower organization levels.	2006	staff		abilities of the tourism management.
Initiative	Objective	Timeline	Partner	Cost share	Measure of success
2.3 Tourism PR and marketing training	TO and hotel & restaurant representatives attend a workshop for tourism marketing and PR skills	Fall 2005	N/A – Tourism High School	MCA & TC (minimal)	# marketing efforts launched one year upon completing course
3. OTHER (non-financial support)					
3.1 CLC Charter	Write Charter for TC	Jan 05- March 05	CLC	Nil	Completed Charter
3.2 Elect TC rep on NECC	Establish direct link between TC and NECC Help w/ overall cluster objectives and fair / equal representation and operation of NECC	March 2005	NECC	Nil	Have an active TC member on board NECC
3.3 Country PR (NECC)	NECC assistance in getting MoE to realize importance of tourism industry; increase	March 2005 – January 2006	NECC; CLC; TC	Nil	Have MoE increase budget and invest in country branding and strategy

	national budget and specifically with country BRANDING and PROMOTION				
Initiative	Objective	Timeline	Partner	Cost share	Measure of success
3.4. Stobi Visitors Center	On-going technical assistance through VE Amparo Ponce	Ongoing	National Institute for Preservation of Cultural Heretage, Stobi Visitor Center Private Operator, 5 neighbouring municipalities (Veles, Gradsko, Rosoman, Negotino, Kavadarci), CSHI, MCA, TC members	MCA only assists with transportation and other technical needs of VE	# of tourist products developed in the area based on Stobi as a tourist attraction # of visitors and sales in Stobi
3.5 Archaeology dig project	Technical assistance support to cluster originated initiative – to introduce tours that are based on archaeology	Jan – July 2005 as per TC member	TC; Ministries	N/A	Introduction of regulated archaeology dig tours

	digs and allow visitors to participate				
3.6 Grants program	<p>Provide technical assistance and guidance to applying members & grants committee</p> <p>(Grants to be in the domain of above initiatives – either of two markets; promotion / PR campaign; increasing customer service – training.)</p>	Feb 05 – Aug 06	TC	N/A	Successful implementation of grants given
3.7 Web Portal	Provide technical assistance to E-biz and cluster members	Ongoing (launch Jan 05)	E-biz; MoE	N/A	Successful operational launch of portal and sign-up of members



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

IT Cluster Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

2005 IT CLUSTER ACTIVITIES

EXECUTIVE SUMMARY

This document describes the major planned activities for the IT Cluster in 2005. This plan came out of an interactive process begun in November. Ideas were generated at a brainstorming and prioritization session held in December.

MCA prepared a draft plan and budget for activities. The plan was debated and commented on by a Strategy Committee of 7 members selected from among cluster members to represent existing work groups and the cluster at-large. All initiatives in the plan are dependent on support from cluster members, and a few of the initiatives have external dependencies, which must still be resolved.

For most of the activities, the plan will designate Co-ordinators, or Champions, who will be responsible for making decisions on implementation of the initiatives and communicating on them with the cluster.

Based on the initiatives below, we plan to:

1. Start a sustainable PR program for the IT industry which will help put Macedonia "on the short list" for trade deals and investments in IT
2. Deepen support for MacedonianIT, and other IT services consortia, to create a sustainable IT Outsourcing Consortium (or Consortia) that will conduct at least 4 market development trips into EU markets. Work with other individual firms and consortia to support market development activity.
3. Help create a Digital Entertainment consortium, support its efforts to increase the volume of FX and 3D animation outsourcing and to move to higher value-added projects.
4. Conduct professional training in Product Marketing and Sales to upgrade capacity in the industry and to train the next generation of IT sales and marketing managers, including some that may not currently work in the IT industry.
5. Provide firm-level support to companies with unique software and services product offerings to help position their products and find customers in export markets.
6. Make decisions on continuity for important cluster activities in 2006 and after end of MCA project

STATE OF IT CLUSTER

The IT cluster first met formally on November 23, 2003. There are currently 46 active organizations including 39 private IT companies and 7 other organizations. Of the largest 25 IT companies in Macedonia by revenue, 17 are active members.

There have been many people who have contributed significantly including Georgi Gicev, Gligor Dacevski, Ilija Prentovski, Ilija Sekulovski, Kristijan Danilovski, Ljubentalev. Ljupco Sharkovski, Ljupco Trajkovski, Marta Tomovska, Mihail Peterski, Mijalce Georgiev, Mirjana Apostolova, Petar Indovski, Slagjan Mihajlovski, Toni Petreski, Vasko Kronevski, Venko Gligorov, Vladislav Popov and many others.

With one exception, those companies who are not members are focused primarily on hardware resale in the local market and, therefore, do not have a strong strategic fit with cluster activities. Overall participation numbers are up over the last 3 months.

MCA involvement in Digital Media began with firm-level support for FX3X and the NGO Digital Media in the area of workforce development through the [3D@eSchools](#) project. The Digital Entertainment sector as a whole met first as a focus group within the IT Cluster in September 2004. There are currently about 13 active members including all major studios focused on post-production.

ACCOMPLISHMENTS IN 2004

Major accomplishments of the cluster in 2004 include:

- Development of marketing strategy and demand-generation programs in IT Services Outsourcing (focused on financial institutions and systems integrators in the EU) and Film FX and Animation Outsourcing (focused primarily on US film producers).
- Development of the MacedonianIT consortium. The consortium created a common market strategy, web site, sales presentation and other sales tools and conducted 2 market development trips to Germany and Austria. Also, a number of qualified sales leads have been produced, and these trips have also resulted in a large amount of detailed market learning that will help all companies focus efforts in future. It serves as a model both for individual companies seeking sales in export markets and for other consortia.
- [3D@eSchools](#) Program. Several hundred students are being trained as animators in Macedonian secondary schools – after the start-up phase at very little cost. Importantly, this model of training is now sustainable and is available to support other types of technical training.
- Grants and IESC resources were provided to 6 companies, which have resulted in good commercial prospects.
- E-government task group. With MCA support, the IT Cluster formed a task group to support the adoption of eGovernment services in Macedonia. The TG, which has 17 active members, has been recognized by the Committee for Information Technology (KIT) and is in the process of providing comments in the draft National IT Strategy.

It should be noted that tempo of activities and results have accelerated sharply in the second half of 2004. This is a result of the shift in focus from Cluster Formation to

Implementation and from the increased intensity of activity from members per the above.

SUCCESS SCENARIOS IN 2005

What will success look like in 2005? At a high-level, the IT Cluster strategy in 2005 will focus on three market opportunities:

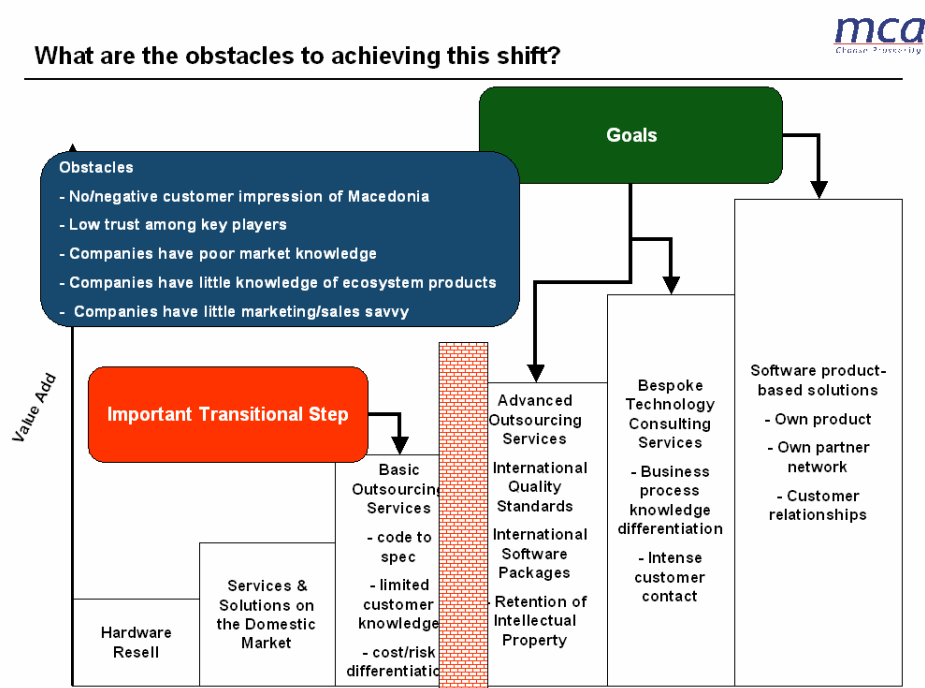
1. IT Services Outsourcing working primarily through consortia.
2. Digital Media Services Outsourcing working primarily through consortia.
3. Software products/solutions for export working primarily with individual companies.

The goal will be to help companies in the sector move from basic *Basic Outsourcing*, in which firms sell basic skills on a work-for-hire basis, to *Advanced Outsourcing*, in which firms sell a complete solution on a project basis and retain rights to their creations.

Some services firms will move to *Bespoke Consulting Services*, in which the firms work closely with customers, often on-site to provide a solution that fits within their business processes.

Some firms will also continue to export software products. Technology product strategies typically yield the highest margins and are most defensible from competitors but also require the most sophistication in project management, product management, marketing and sales.

The following graphic describes the strategy and also shows the obstacles that cluster activities must help overcome:



We propose that the overall impact of cluster activities should be gauged by the number of companies, which move from a focus on the domestic market and *Basic Outsourcing*, to more advanced strategies.

MAJOR ACTIVITIES

Activities that will benefit entire sector

1 – Implement Sector PR

(Started by April) Champions: TBD

One of the top priorities from the brainstorming session was improving Macedonia's press image assistance. The IT Cluster is looking to implement a PR program that will publicize "good news" about the Macedonian IT industry in the international trade press to raise awareness of the sector. We are also looking to provide PR support around IT and Digital Media conferences funded by the Ministry of Economy or attended by members.

Based on member input, we have requested Ministry of Economy support for 5 shows:

- CeBit Outsourcing (March) – need approval soon to do this
- Annecy Animation Event (June)
- Outsource World London (June)
- SIGGRAPH Animation Event (August)
- Systems Outsourcing (October) – already on list

Support would be provided ideally to the consortia addressing the outsourcing and digital media market opportunities. Discussions with the Ministry of Economy regarding support are on-going and positive.

Activities that will benefit primarily IT Services companies

2 – Deepen MacedoniaIT/ Outsourcing Consortiums

(Started by March) Champions: From Consortia

MacedoniaIT has been successful in developing messaging that works for Macedonian companies selling into the EU. It has also generated a large number of important leads and will create sales. Members are discussing plans to accelerate work with the consortium by hiring full-time employees. MCA will support members in this effort. MCA will also support other services consortia as warranted.

3 – Organize Domestic IT Buyers/ Implement an IT SW Vendors Conference

(Event in July) Champions: TBD

The Cluster will arrange meetings between IT department heads of the large companies in Macedonia and CEOs of Macedonian IT firms to try to identify common interests. One intention is to persuade international software companies, doing business in Macedonia, to establish partners here for the SE Europe region. This would benefit both Macedonian IT Buyers and IT Vendors. This would be done

through a matchmaking conference. Strategy Committee discussed whether IT Customers and Vendors are ready to cooperate in this area. We will try to find an answer but, if there is no support after initial efforts, we will not move ahead in this area.

Activities that will benefit primarily Digital Media companies

4A - MADE association capacity building

(Started by February) *Champions: From Association*

Strengthening capacity of Digital entertainment industry in the country (addressing supply side). Thirteen members of the Digital Media focus group have create a charter and agreed to invite other production and post-production studios in Macedonia in order to create an industry association as Macedonian Association of Digital Entertainment (MADE). We expect the association to be registered by February.

4B – Digital Entertainment Training Centers

(Starting in February) *Champions: From Association*

Digital Media focus group has agreed that training is the most important investment in this industry so they will focus on opening certified training centers for animation (Softimage, Alias, Houdini). Digital Media NGO will continue with implementation of 3D@E-School platform for 2 Round of Maya training (February-June). Also support of short-term trainings upon needs for specifics business opportunity is needed. As a long term goal is broadening secondary E-School platform for other training needed in this industry and curricula development for (Soft image, Flash, Houdini).

4C - MADE Export Consortium Building

(On-going) *Champions: From Association*

Several digital media companies will form an export consortium to work on joint outsourcing and co-production projects in US, Canada and EU. Deliverables will include a joint web site, demo reel and possibly festival project for the Annecy show. There is an initial project planned. A consultant will be provided to work with the MADE Consortium and Association on market-development and IP Rights negotiation issues.

Activities that will benefit primarily IT Software & Services Companies

5 – Software Product Positioning Interventions (Firm-level)

(Starting in February) *Champions: To be discussed; is one needed?*

MCA will work with cluster members and consulting firms to provide marketing support for companies seeking to introduce or expand sales of software products into export markets. The program will begin with a one-day one-on-one seminar with interested firms to discuss specific examples of successful product positioning and marketing programs and to develop a research strategy for each firm. Companies will be responsible for working through the research and positioning process. MCA

will provide support to hire local consultants, support for marketing programs, and will assist with its own efforts.

6 – Training & Certification

(By May) Champions: TBD

MCA will assist the IT Cluster in conducting training for members. The high priority training identified includes

- Project Management – A choice must be made between CMM/I and PMI
- Product Management & Marketing
- Sales

Trainings will combine live workshops, computer-based training and, if possible, on-going consulting. Where possible, training will be done in the conjunction with established local training centres and consultants.

7 – Legal Guidance on Exporting into the EU Market

(April) Champions: TBD

The IT Cluster will pull together needed legal and regulatory information on exporting into and tendering for projects in key EU markets. It will be important to define who will produce this information and the financial model.

8 - MASIT Open Days

(January) Champions: Petar Indovski

Provide financial and implementation support for MASIT Open Days.



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

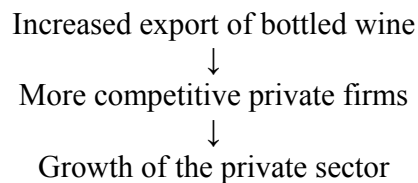
Wine Cluster Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Different levels of maturity of cluster firms:

- Small new wineries with higher quality wines and lack of human resources capacity, marketing and promotion ability
- Big, recently privatized wineries that have invested in equipment and modernization; are in the process of improving the quality of the wines, have ability for marketing and promotion, have lack of qualified staff
- Big recently privatized wineries that have to make huge investments in the improvement of the production technology (far from switching sales from bulk to bottled wine), no ability or willingness to promote and market the wine or invest in human resource development

Results:



Obstacles to increased export of wine:

- Quality of the products
- Sales and marketing capabilities
- Promotion and image of the country
- Institutional support

Key activities to address obstacles to higher competitiveness and export:

- Technical assistance and training to improve quality of the products
- Export readiness assessment and technical assistance and training to increase sales
- Technical assistance in positioning and branding Macedonia as a wine making country

Quality improvement initiatives:

- **Quality improvement of inputs for grape production by finalizing the model contract and quality criteria on an industry level**
- **Viticulture training for grape growers who have signed contracts or/and are traditionally been suppliers to cluster members**
- **Improvement of oenological practices by providing technical assistance**
- **Capacity building of winery staff (workshops on basic sensory evaluation of wines, professional winery tours and presentation of wines)**
- **Establishing a wine laboratory in cooperation with another USAID project**

Export and marketing initiatives:

- **Export readiness assessment**
- **Technical assistance to wineries to improve marketing, develop promotional programs, improve labels**
- **Training on product positioning and branding (firm level assistance in product positioning to be reflected on positioning and branding of Macedonian wine)**
- **Implementation of a test market exercise**
- **Wine marketing training**

Generic promotion initiatives:

- **Presentation/tasting of Macedonian wine and culture to distributors and journalists in selected market(s)**
- **Participation on trade shows**
- **Inbound media and buyers visit**
- **PR campaign for Macedonian wine around organized events**

Activity Plan

Initiative	Description	Timeline	Support from	Expected result	Measure of success
1. QUALITY IMPROVEMENT					
1.1. Assure quality inputs for wine production					
1.1.1. Improve relationships between grape growers and wineries	Amend developed contract to fit interests of both wineries and grape producers	Jan 1 – Feb 15, 2005		Develop a clear set of mutual responsibilities and quality criteria that will be valid on an industry level	# of wineries to introduce contracts # of grape growers to sign contracts
1.1.2. Training of grape growers	Series of trainings for grape growers that have signed contracts and/or have been traditional suppliers of wineries	Spring-autumn 2005	IESC	Increased knowledge about viticulture, higher quality grapes (sugar level, yields, production costs)	# of grape growers to provide grapes with XX brix of sugar
1.2. Improve oenological practices					
1.2.1. Capacity building within wineries for presentation and tasting of wine, firm level technical assistance	Workshops and technical assistance for individual firms, developing manuals	Spring-autumn 2005	ARD	Improved knowledge of wine makers, higher quality wines	# of wineries to introduce production change and investment # of international awards for MK wines

1.2.2. Study tour for oenologists	Visit foreign wineries to learn wine making techniques, latest production methods	Spring 2006		Improved knowledge of wine makers, higher quality wines	# of wineries to introduce production change and investment # of international awards for MK wines
1.3. Establish a wine laboratory in the wine region			E-Biz		
2. EXPORT AND MARKETING					
2.1. Increase export of MK wine					
2.1.1. Export readiness assessment	Assess the export capacity of wineries and provide assistance to overcome firm level obstacles for export	Jan-Mar 2005	ARD	Built capacity within wineries for export	# of wineries ready to be involved into a test market exercise
2.1.2. Sales and marketing capacity building	Firm level assistance to improve packaging, develop marketing and promotional programs; sales skills	Mar-Jul 2005	ARD	Wineries ready to contact foreign buyers and build business relationships	# of wineries that fulfill export readiness criteria
2.1.3. Test market activities	Identify market opportunities, select distributors, arrange meetings and negotiate trial orders	Jun-Oct 2005	ARD	Wineries find clients on new markets	# of wineries that manage to make a deal for a trial order

2.1.4. Wine marketing training	Winery representatives attend a specialized three-week course for wine marketing	June/July 2005	WL	Built capacity for marketing	# marketing campaigns launched one year upon finishing the course
2.2. Generic promotion of MK wine					
2.2.1. Wine tasting event in selected market(s)	Week of MK wine – 2 days in 3 different cities in selected market	Autumn 2005	BSP	Present MK wine to XX number of people, contacts with buyers	# of inquiries from buyers
2.2.2. Inbound buyer and media visit	Invite wine writers and buyers to visit MK	Spring 2006		Improved image of MK wine	# of articles published in wine magazines / newspapers
2.2.3. Participation at trade shows	Organize a joint MK stand at selected wine trade show(s)	Spring 2006	BSP	Established contacts with potential buyers	# of inquiries from buyers # of orders
2.2.4. PR campaign around promotion events	Promote MK and MK wine by placing articles in selected wine magazines/ newspapers	Autumn 2005; Spring 2006	BSP	Built image of MK wine, inform and raise interest between buyers and customers for MK wine	# of articles published # of people reached



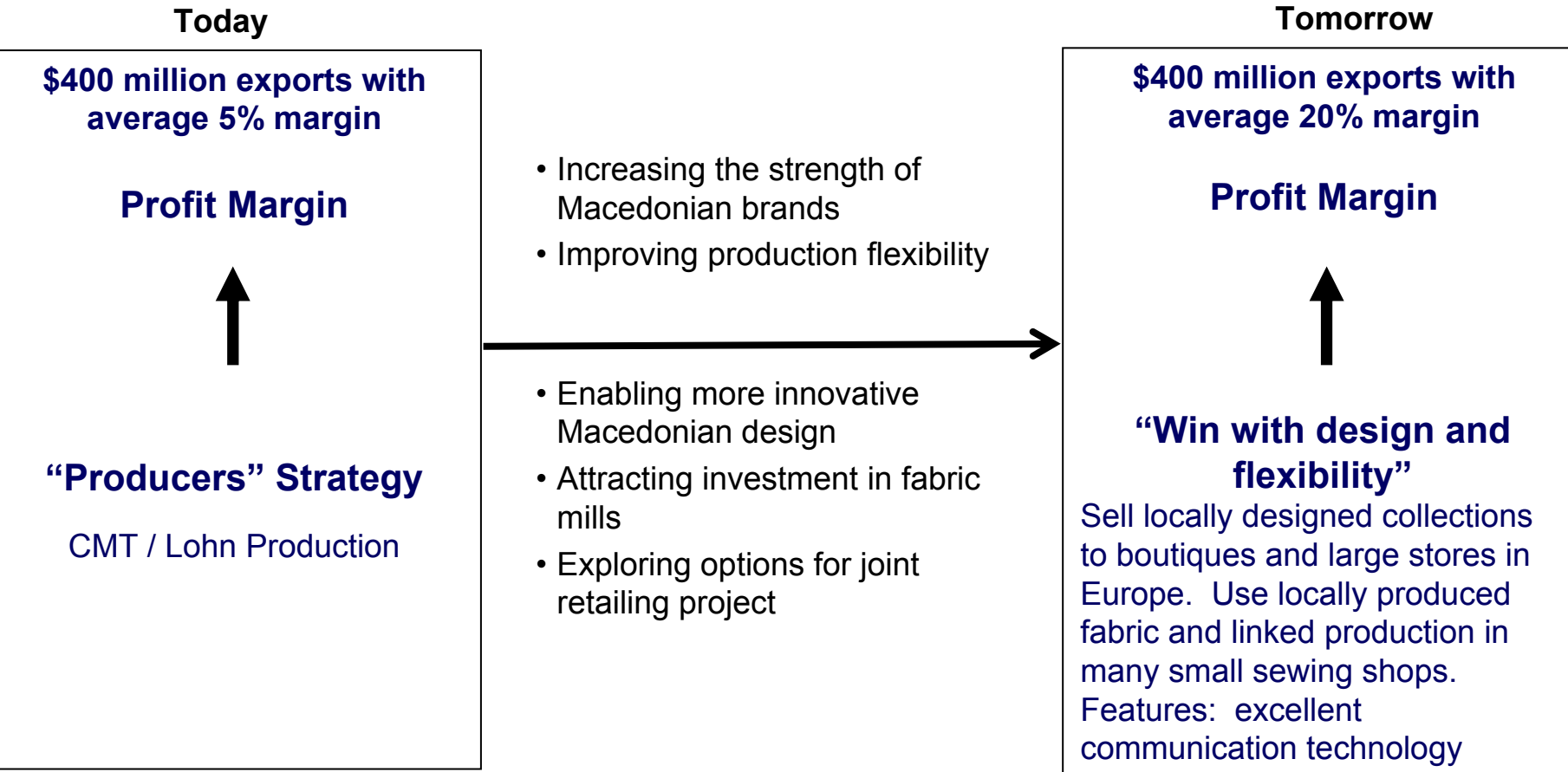
USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Apparel Cluster Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Textile Cluster Campaign: The Strategic Vision



Results expected: Higher margins, increased exports of “complete export”, increased exports of proprietary designs and brands, increased exports to European markets other than Germany and Greece

Performance Measures

- Increase exports of products with Macedonian brands
- Increase exports of products with Macedonian labels
- Increase “Full Package” exports
- Increase exports to EU countries other than Germany
- Baseline data will be captured from customs (letter requesting special data sent today) and by surveying cluster members
- Targets will be set when current baselines are clearly understood

Textile Cluster High Priority Action Plan

	October	November	December	January	February	March
Cluster Mobilization	Monthly cluster meetings and monthly task force meetings			Deadline for forming CLC		
Marketing and Promotion	Marketing / Promotion Training (Jeanne Atkinson) with EBIZ			Italian Mkt visit (ICE)	Exhibit in Fashion Trade Show (Group 1) Fashion Trade Show “Walk Around” Group 2	
Production	Preliminary Analysis of Production Needs			Production Redesign Project		
Foreign Investment	Build Economic Case			Foreign Investment Roadshow (pending confirmation of economic case)		
Government Relations and Regulatory Reform	Meet with IMF Pemanent Team	Meet with MoE	Make Recommendations to NECC			

Textile Cluster Initiatives (1st Batch)

Summary Level Description and Status

Initiative	Description	Purpose	Target	MCA Cost*	Timing
1. European Trade Show	Organize joint exhibition of Macedonian apparel companies	<ul style="list-style-type: none">▪ Demonstrate to cluster members that Macedonian companies can sell apparel with proprietary design and brands▪ Increase customer contacts in the EU market	Increased exports of high value products	\$50,000	Now – end of March
2. Increase Production Flexibility	Identify opportunities to increase flexibility and lower cost	<ul style="list-style-type: none">▪ Develop recommendations for three categories of companies: advanced; intermediate, and basic▪ Analyze cost, time, marketing implications▪ Implement with companies who commit their own capital to finance improvements	Increased exports of high value products	\$30,000	Now – June 05
3. Develop Economic Rationale for Foreign Investment in Fabric Mill	Build economic case for foreign investment in fabric mills	<ul style="list-style-type: none">▪ Demonstrate profitability of new local fabric mill▪ Communicate attractiveness to interested foreign investors	Attract increased foreign investment	\$5000	Now – June 05

Cluster initiatives – Textiles

<i>Priority & Initiative</i>	<i>Rationale & benefits</i>	<i>Participants</i>	<i>Budget</i>	<i>Approx. dates</i>
I. European Trade Shows	<ul style="list-style-type: none"> ▪ Demonstrate to top-level Macedonian firms that they can successfully do a joint exhibition at a top-tier European Apparel Trade Show <ul style="list-style-type: none"> –MCA will organize preparation for the Trade Show including design consultant, catalog development, and local sales agent ▪ Train mid-level cluster firms; conduct “walk-around” at one fair ▪ Conduct basic training for less experienced firms that are eager to participate in trade fairs <p><u>Trade fair participation by cluster members with MCA and expert consultants will help increase higher value exports (target:: increased high value exports).</u></p>	Dane Smith, Ana Nikovska, Dejan Antic (MCA) EBIZ Jeanne Atkinson (World Learning) Macedonian BSP 5-20 cluster members ICE	MCA USD\$50,000 Cluster members USD\$50,000 Ministry of Economy \$20,000 (tentative) Total: USD \$120,000 (est.)	Now – end of March

Cluster initiatives – Textiles

<i>Initiative</i>	<i>Rationale & benefits</i>	<i>Participants</i>	<i>Budget</i>	<i>Approx. dates</i>
II. Improve flexibility of production	<ul style="list-style-type: none"> • Greater flexibility will allow Macedonian apparel companies to more easily respond to increased competition from Asian markets • Greater flexibility will lower throughput times and decrease costs • MCA will make recommendations for improvements at 3 archetypal companies <p><u>Production flexibility should help make Macedonian apparel products more competitive in the EU market (target: increased high value exports).</u></p>	<p>3 MCA staff, 12 cluster members, including 3 prototypes</p> <p>EBIZ Martin McClure</p>	<p>MCA USD\$30,000 Cluster members: USD\$30000</p> <p>Total USD\$60,000 (est.)</p>	Now – June 05

Cluster initiatives – Textiles

<i>Initiative</i>	<i>Rationale & benefits</i>	<i>Participants</i>	<i>Budget</i>	<i>Approx. dates</i>
III. Attract Foreign Investment in Fabric Production	<ul style="list-style-type: none"> •Build the Economic Case for foreign investment in fabric production in Macedonia •Use economic case in conjunction with the Minister of Economy and other organizations such as ICE, to attract the interest of foreign investors •Local, high quality fabric production makes Macedonian firms more flexible and more cost competitive for export to the EU <p><u>Local fabric production will increase the value of the net exports of Macedonian products (target: increased exports).</u></p>	MCA, Ministry of Economy, ICE, Cluster Taskforce	MCA USD\$ 5,000 Ministry of Economy US\$10,000 (tentative)	Now – May 05

Coordination with other USAID efforts

EBIZ – close collaboration exists in encouraging the use of the new Textile Technology Center and strengthening the selling and marketing capability of Cluster members. EBIZ and MCA are jointly using the services of IESC expert Martin McLure and World Learning Trainer Jeanne Atkinson

ATA – [TBD]

Previous IESC experts (non-MCA)

- William Pratt
 - VE Pratt analyzed the current state of the industry and recommended appropriate areas of high impact technology to lower costs, improve efficiency and develop capability of clothing factories to operate in a rapid response mode.
 - Recommended that a Textile Technology Center (TTC) be set up with services that would have the most beneficial effect on the industry: sales, marketing, design, sourcing, marker making services and automatic cutting.
 - Assisted in the formation of a small cluster of target companies where there were owners/managers who were expressed interest to co-invest financially and use the services of the TTC
 - **MCA** is encouraging use of the TTC with cluster members

Coordination with other USAID efforts

- IESC Expert Mohamed Abou-iiana

- VE Abou-iiana examined the production process at Tetex
- A new method was suggested to produce the sleeves to reduce the total waste by 10-15% particularly with expensive fibers.
- The VE discussed with the production team the significance of proper machine maintenance, housekeeping, proper machine adjustment to achieve the quality required
- **MCA link:** Tetex is not part of the cluster to date; there is no current overlap with this activity

- IESC VE Harris Johnson

- VE Johnson developed a three year Strategic Marketing and Production Plan, working together with a team of top Spinning Mill managers at Tetex
- **MCA link:** Tetex is not part of the cluster to date so there is no current overlap with this activity, but if the plan developed with Johnson results in improving the quality of wool that is locally produced, it will help demonstrate the viability of local fabric production which will help the foreign investment initiative of the Cluster



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Small Grants Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

Small Grants Program Annual Work Plan – 2005

Small Grants Program

During the first quarter of the year the grant administrator will work closely with the cluster advisors, the CLC and the cluster members to get more grant applications which will be focused on activities, outlined by the clusters as work priorities for year 2005. In order to further promote the program and have most of the applications received during the first 6 months of the year, follow up meetings will be made with different cluster members. If needed, additional presentations will be made for certain work groups, or cluster members. Throughout the year, the fulfillment of the grant activities will be monitored and the results will be evaluated on each approved grant. The initial evaluation will be made after six months of the fulfillment of the activity and consequently on each six month period.

Gender Action Plan:

In order to provide more information about the MCA Grant Program and stimulate more women to apply for a Grant, during the first quarter of the year the Grant Administrator will attend the Business women lunch and present the Program once more. Also during the first quarter of 2005 the Grant Administrator will attend the cluster meetings to promote the Grant Program to the clusters as a whole.

The Grant Administrator will do follow up meetings with few cluster members in an attempt to get further information on how to make the Grant Program more accessible to women cluster members.



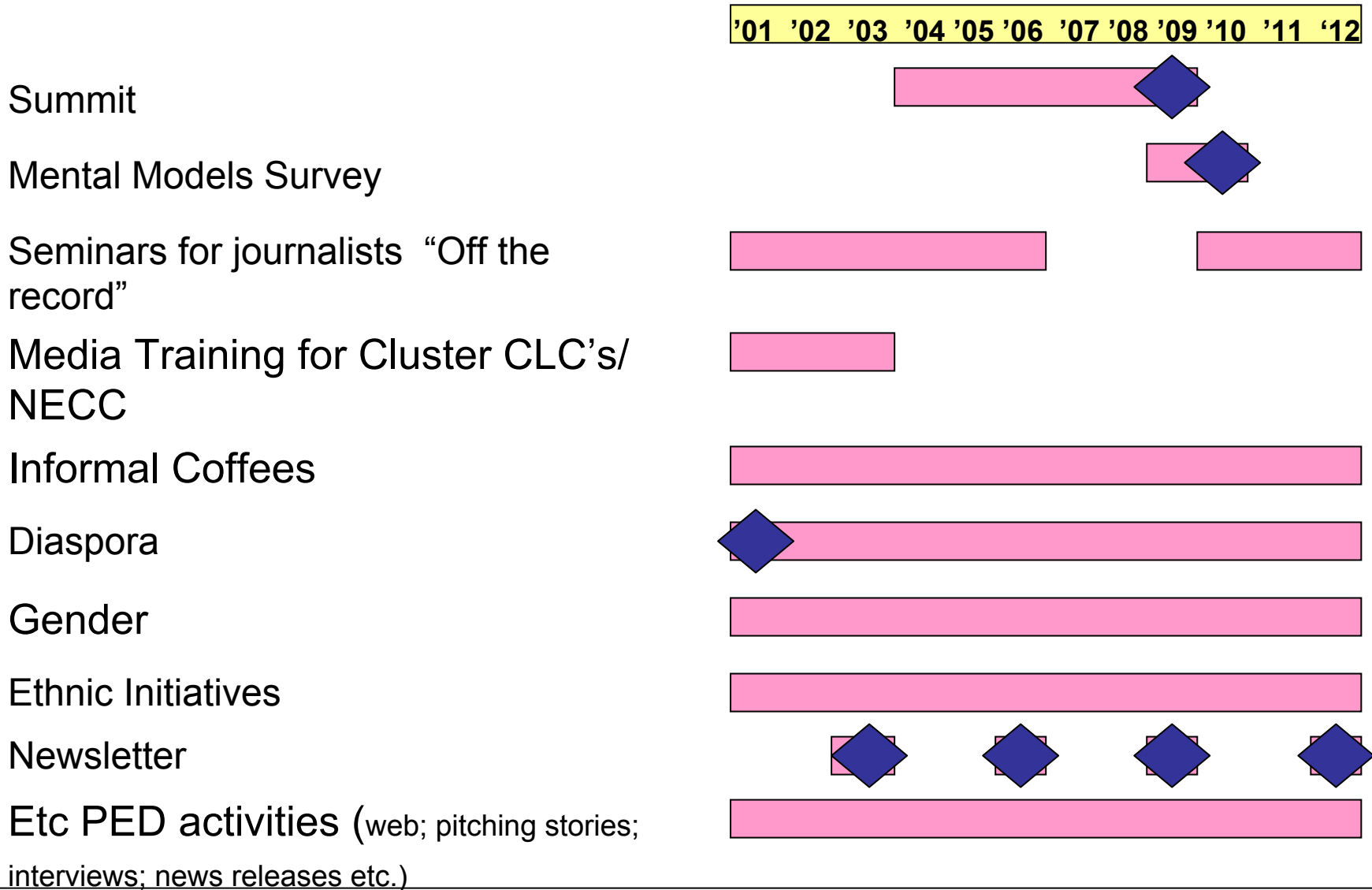
USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

PED Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

PED 2005



Milestone



Continuing activity

Results and Outcomes

- Increase general public awareness on competitiveness, MCA, NECC
 - Ethnicity (alb; roma)
 - Gender
 - Specific business targets
- Message Development – with cluster and NECC teams
 - MCA
 - Clusters
 - NECC

How to achieve?

- News Releases after each major event
- Interview placement (electronic and print media)
- Pitching stories
- Arrange TV appearances (possibly talk shows)
- Press Conference (Summit)



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Microsoft Project MCA Work Plan 2005

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

ID		WBS	Task Name	Sep	4th Quarter				1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter					
					Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul						
0		0	MCA Work Plan 2005																													
1																																
2		1	NECC (Dejan Janevski)																													
3																																
4		1.1	FDI working group																													
5		1.1.1	Cooperation/support with/to AFIRM (TBD)																													
6		1.2	Cluster Cooperation																													
7		1.2.1	Suport MCA cluster's high priority request																													
8		1.2.1.1	Hold regular monthly meetings with CLC																													
21		1.2.2	Support to non-MCA clusters																													
22		1.3	Management Capabilities Working Group																													
23		1.3.1	Campaign to attract leading business school to MK																													
24		1.3.1.1	Implement campaign/contact schools in coolaboration																													
25		1.3.1.2	Support other initiatives																													
26		1.3.2	Engage the MK diaspora																													
27		1.3.2.1	Outreach program implementation (w/PED)																													
28		1.4	Competitiveness report																													
29		1.4.1	Collect data																													
30		1.4.2	Analyze data																													
31		1.4.3	Write draft report																													
32		1.4.4	Draft report completed																													
33		1.4.5	Round tables																													
34		1.4.5.1	Round table 1(finished)																													
35		1.4.5.2	Round table 2(finished)																													
36		1.4.6	Collect and incorporate comments into draft report																													
37		1.4.7	Final report published and promoted																													
38		1.5	NECC operations and sustainability (STTA STAPP:Feb-May)																													
39		1.5.1	Establishing Secretariat																													
40		1.5.1.1	Register legal entity																													
41		1.5.1.2	Legal entity registered																													
42		1.5.2	Hire transitional executive director																													
43		1.5.3	Secure initial funding from MoE and Swiss																													
44		1.5.4	Secure USAID funding 1 year salary funding for ED of the Secretariat																													
45		1.5.5	Hire Executive Director																													
46		1.5.5.1	Agreed on job description/profile																													

Project: MCA Work Plan 2005
Date: Tue 22.03.05

Task

Split

Progress

Milestone

Summary

Project Summary

External Tasks

External Milestone

Deadline

Page 1

ID		WBS	Task Name		4th Quarter				1st Quarter			2nd Quarter			3rd Quarter			4th Quarter				1st Quarter			2nd Quarter			3rd Qua							
					Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul								
94		2.2	II. Cheese marketing activities																																
95		2.2.1	Initiative 02-2005: Regional Market Research activity plan																																
96		2.2.1.1	Coordination meeting with CLC + Cheese marketing working group																																
97		2.2.1.2	Coordination meeting with MoE																																
98		2.2.1.3	Select targeted market segments and locations																																
99		2.2.1.4	Select participants																																
100		2.2.1.5	Conduct participants' workshop																																
101		2.2.1.6	Arrange Logistics																																
102		2.2.1.7	Meet with identified clients and buyers																																
103		2.2.1.8	Visit major retail chains																																
104		2.2.1.9	Prepare final report									04.04																							
105		2.2.2	2. Direct to Market Fair (Ohrid)																																
106		2.2.2.1	Conduct workshop for shepherders										15.04																						
107		2.2.2.2	Provide consultation to shepherders																																
108		2.2.2.3	Introduce shepherders to mayor + others										05.04																						
109		2.2.2.4	Coordinate dairy participation																																
110		2.2.2.5	Coordinate winery participation																																
111		2.2.2.6	Assist in hiring BSP																																
112		2.2.2.7	Secure finalized agreement from Ohrid City Municipality																																
113		2.2.2.8	Assist with invitations,logistics, translations																																
114		2.2.2.9	Work with PED on publicity campaign , banners																																
115		2.3	Conduct workshop in trade fair participation																																
116		2.3.1	Assist cluster members as requested																																
117		2.4	III. Cluster Development																																
118		2.4.1	Monthly regular CLC & working group meetings																																
131																																			
132		3	Tourism Cluster Work Plan 2005 (Ines Curapova, Dori Pavloska-Gorgieska)																																
133																																			
134		3.1	Market development and promotion / marketing																																
135		3.1.1	PR Support already penetrated markets - Follow-up report																																
136		3.1.1.1	Follow-up with established contacts made via FAM trip April 04																																
137		3.1.1.2	Generate report																																
138		3.1.1.3	Provide ongoing follow-up support - overcome obstacles																																
139		3.1.2	Initiative #1-2005-Journalist trip (UK & Germany) - Promotion campaign																																
140		3.1.2.1	Meet key journalists @ ITB																																

Project: MCA Work Plan 2005
Date: Tue 22.03.05

Task



Progress



Summary



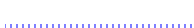
External Tasks



Deadline



Split



Milestone

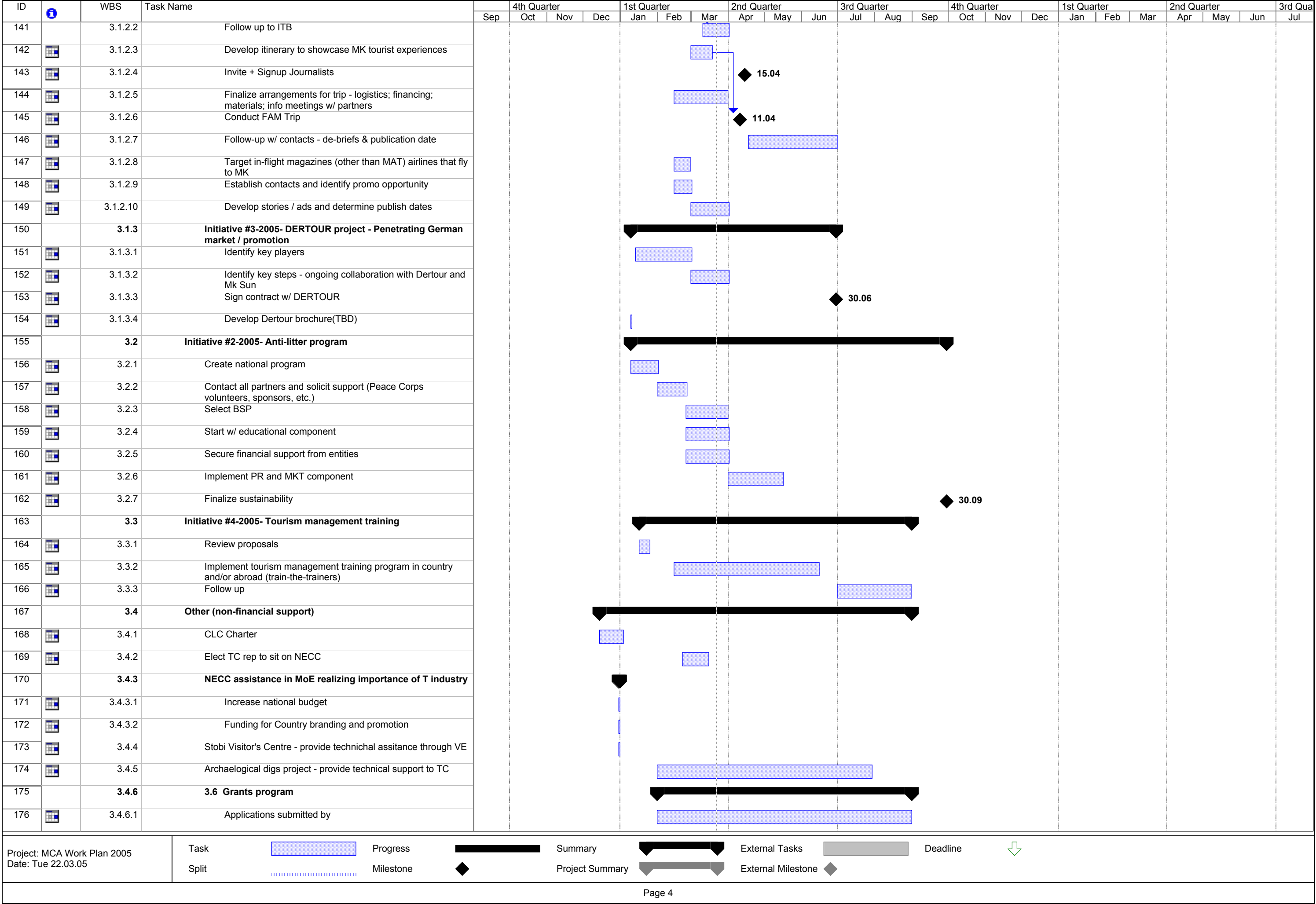


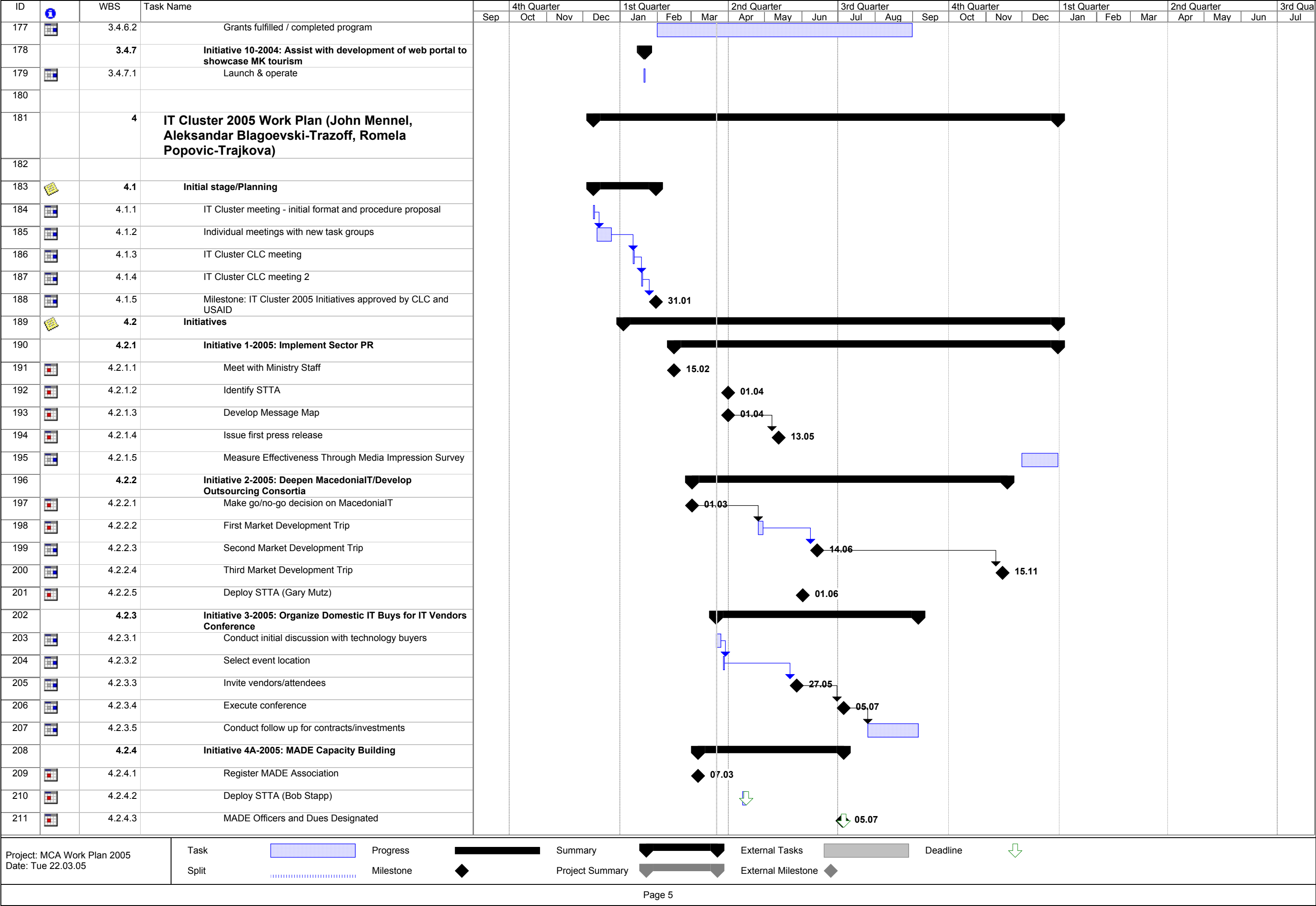
Project Summary

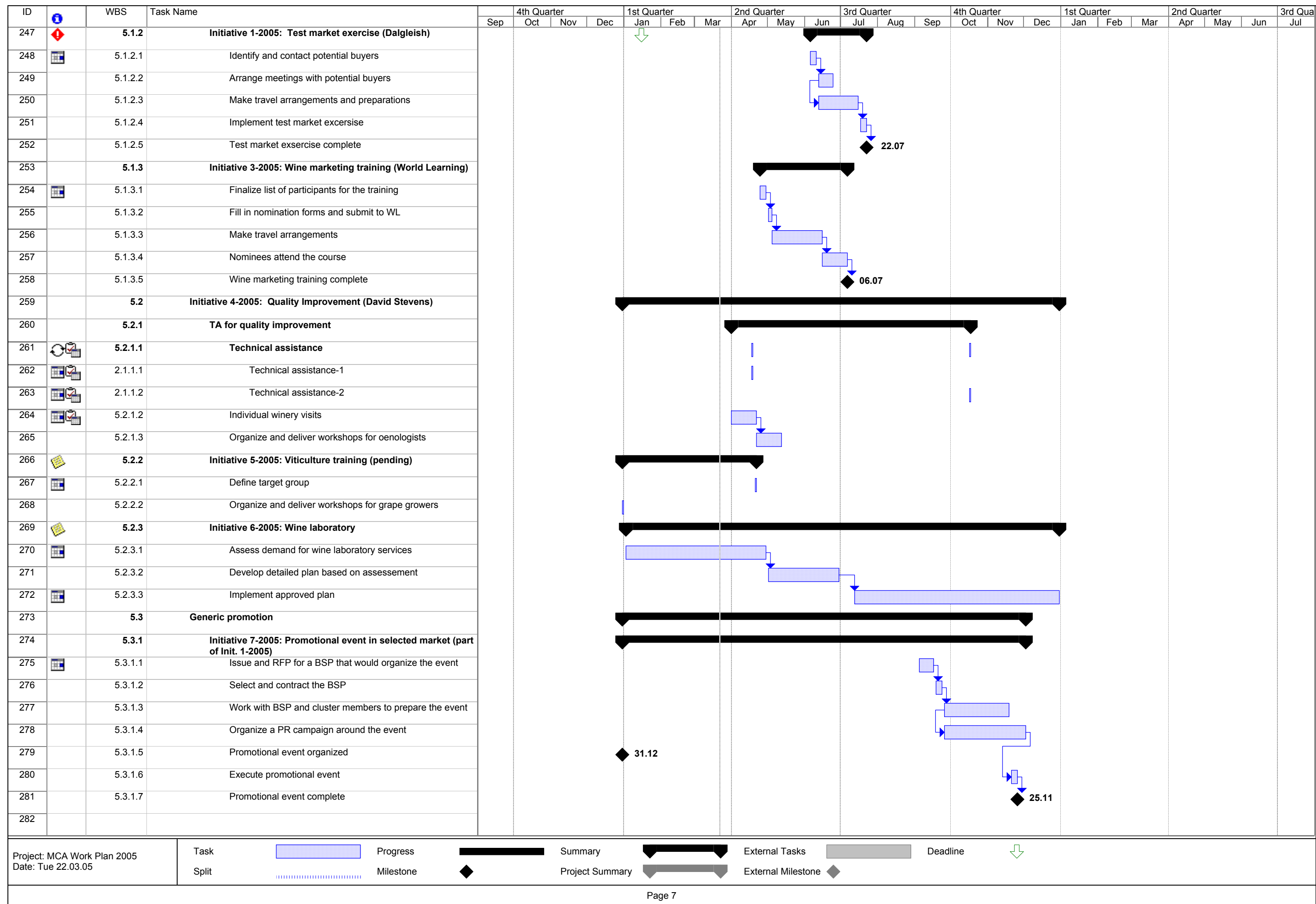


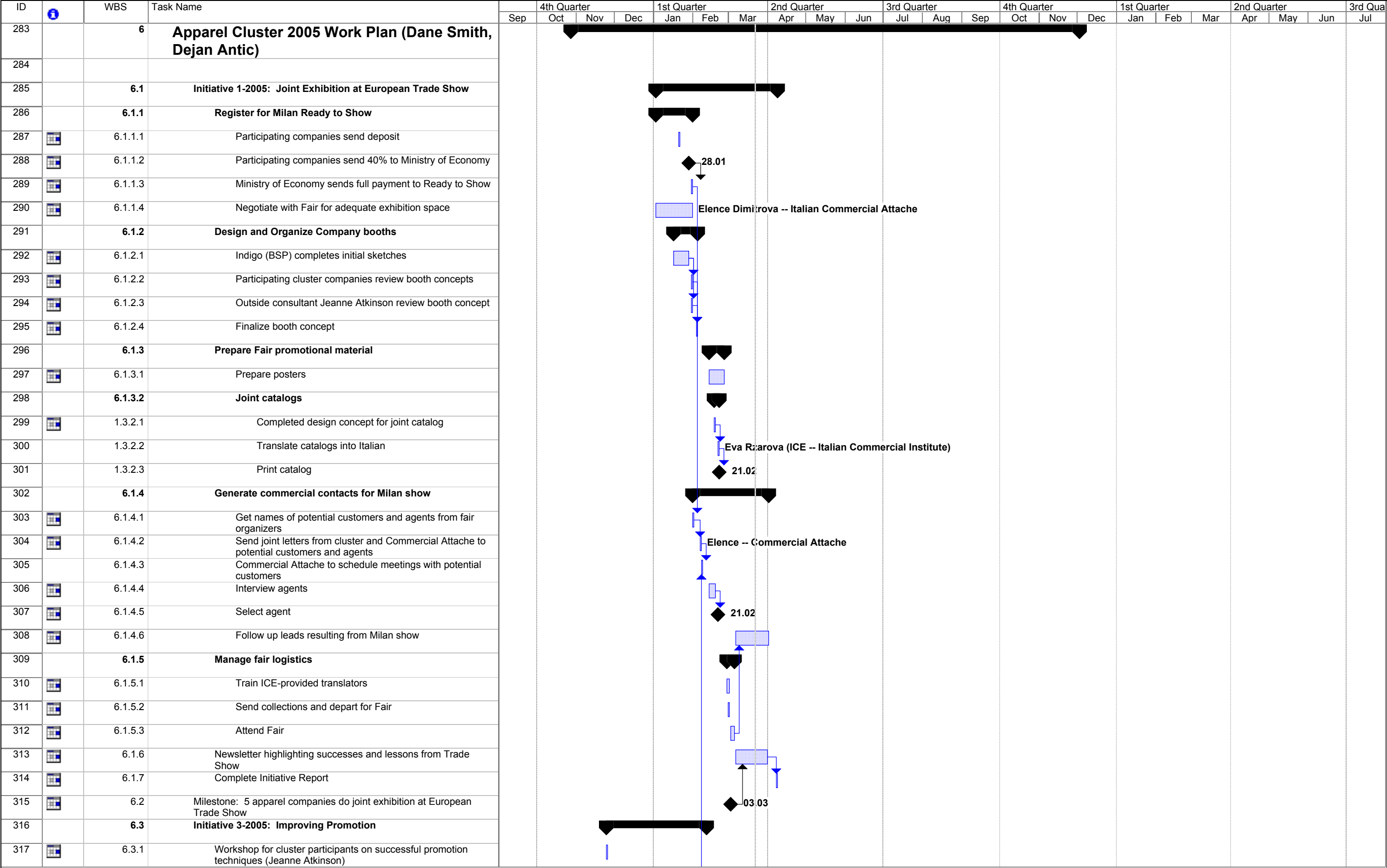
External Milestone

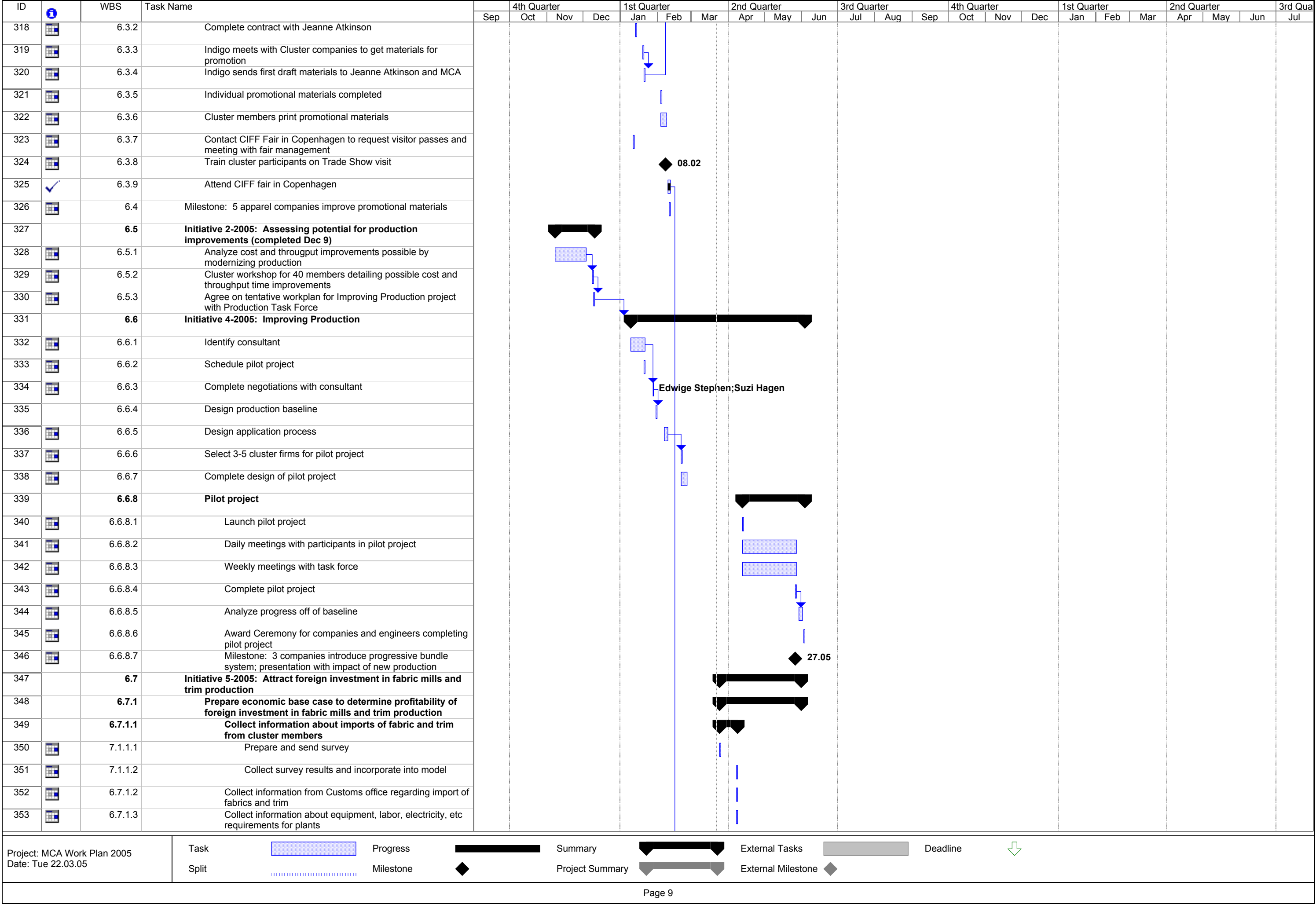


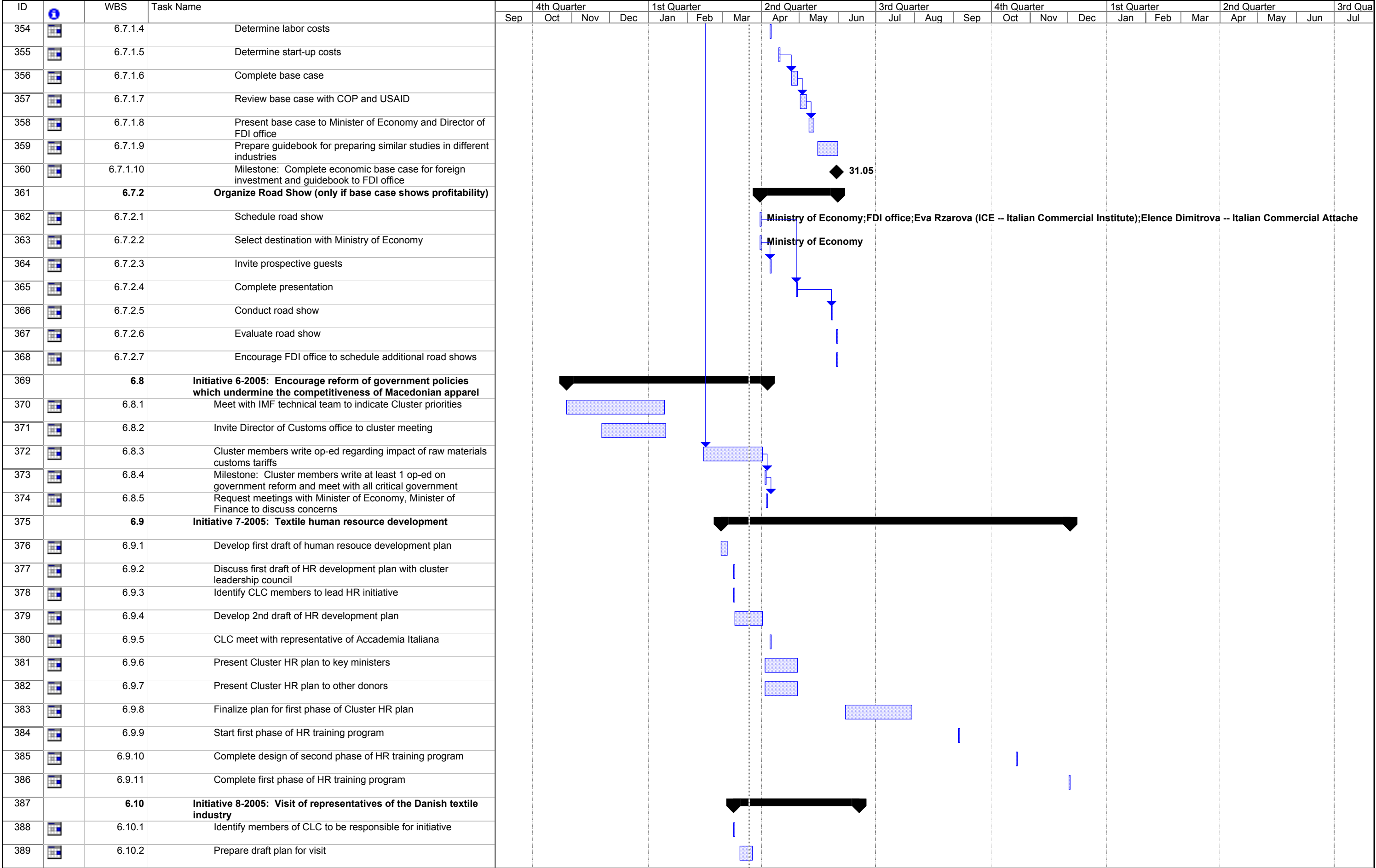












Project: MCA Work Plan 2005
Date: Tue 22.03.05

Task



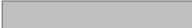
Progress



Summary



External Tasks



Deadline



Split



Milestone



Project Summary





External Milestone



ID		WBS	Task Name	4th Quarter				1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Qua
				Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
390		6.10.3	Develop map of the Macedonian textile industry																							
391		6.10.4	Present draft plan to Minister of Economy / Deputy Prime Minister																							
392		6.10.5	contact Director of Danish textile trade association																							
393		6.10.6	Collect Danish contacts from cluster members																							
394		6.10.7	Send invitation to Danish companies and textile trade association																							
395		6.10.8	Make go / no-go decision																							
396		6.10.9	Hire local travel agent to organize trip																							
397		6.10.10	Danish representatives in country																							
398		6.10.11	Follow-up to contacts made during visit																							
399		6.11	Initiative 9-2005: Trade Fair visits round 2																							
400		6.11.1	Identify target fairs																							
401		6.11.2	Secure Ministry of Economy support																							
402		6.11.3	Identify consultants to guide tour groups																							
403		6.11.4	Visit fair																							
404		6.11.5	Follow up on new client contacts																							
405		6.12	Baseline																							
406		6.12.1	Write draft survey																							
407		6.12.2	Finalize survey																							
408		6.12.3	Send survey																							
409		6.12.4	Collect results of survey																							
410		6.12.5	Complete draft report																							
411		6.12.6	Review with Suzi																							
412		6.12.7	Complete 2nd draft of report																							
413		6.12.8	Review with USAID																							
414		6.12.9	Submit report																							
415		6.13	Institutionalization of Cluster Leadership Council																							
416		6.13.1	Elect cluster leadership council																							
417		6.13.2	First meeting of cluster leadership council																							
418		6.13.3	CLC elects representative to the NECC																							
419		6.13.4	start discussions of charter																							
420		6.13.5	formalize charter																							
421		6.13.6	cluster votes on charter																							
422		6.13.7	Milestone: Cluster leadership council elected and self-govermmg through CLC charter																							
423		7	PED Work Plan 2005 (Margareta Lipkova-Atanasov, Vanja Mirkovski,																							
424		7.1	B. Public Education & Outreach																							

[illegible]

ID		WBS	Task Name		4th Quarter				1st Quarter			2nd Quarter			3rd Quarter			4th Quarter				1st Quarter			2nd Quarter			3rd Qua
				Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul		
583		12.6	Quarterly report Q4 2005																									
587		12.7	M&E Activities and PMP reporting																									
588		12.8	Staff Evaluations																									



USAID
FROM THE AMERICAN PEOPLE

Macedonia Competitiveness Activity

Level of Effort

Ul. Bukureska 133b
Skopje, Macedonia
Tel: (389 2) 309-1711
Fax: (389 2) 307-9158

MCA2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA InitiativeFunds	Cluster/Other Share	Comments
IT Cluster							
Funds available:							
\$128.480							
	1	IT Sector PR	25	IT PR Expert (Harrower)	\$15.000	MoE	Focus: Whole Tech Sector
	2	Deepen MacendonialIT/ Outsourcing Consortia	20	IT sales/mktg specialist (Mutz)	\$25.000	\$130.000	Focus: IT Services
	3	Organize Domestic IT Buyers / Vendors Conference			\$1.500	\$ 4.000	Focus: IT Services
	4a	MADE Association			\$0	\$2.000	Focus: Digital Media
	4b	Dig Med. Training Centers			\$0	\$40.000	Focus: Digital Media. Support with Grants
	4c	MADE Export Consortium	25	Dig Med. Bus Dev. (De Graf)	\$20.000	\$0	Focus: Digital Media. Support with Grants
	5	Software Product Positioning (Firm-Level)			\$12.000	50% +	Focus: IT Software & Services. Support with Grants
	6	Training & Certifications			\$17.000	\$20.000	Focus: IT Software & Services.
	7	EU Export Guide			\$3.000	\$3.000	Focus: Whole Tech Sector
	8	MASIT Open Days			\$3.300	TBD	Focus: IT Software & Services
		TOTAL			\$96.800		
		Balance			\$31.680		

MCA 2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA Initiative Funds	Cluster/Other Share	Comments
Tourism							
Funds available:							
\$94.985	1	Journalist fam tour					
		Research at ITB			\$3.000	\$3.000	Cost of consultant at ITB; plus local staff travel; cluster mbrs cover own costs
		Tourism consultant	20	Scott Wayne, tourism consultant to do journalist tour (BAH)			3 weeks in MK plus some off site time
		Fam trip expenses			\$15.000	\$15.000	Cluster cost share; MoE to be asked to contribute too
	2	Anti-Litter Campaign			\$10.000		MEPP, sponsors also to be approached
	3	Der Tour			\$20.000	\$27.000	
	4	Management Training			\$5.000	\$5.000	Local BSP or MSU
		TOTAL			\$53.000		
		Balance			\$41.985		

MCA 2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA Initiative Funds	Cluster/Other Share	Comments
LnC							
Funds available:							
-3545							LnC over spent by \$3545; French VAT will offset some
	1	Greek Test Market					
		Market research			\$1.000		MCA stf to Greece at Easter with LOL, SFARM
		Negotiator				\$5.000	Grant to Farmer group to hire BSP/consultant
	2	Market research (regional mkts)			\$1.000		MCA stf to accompany cluster to regional mkts
		TOTAL			\$2.000		
		Balance			(\$5.545)		

MCA 2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA Initiative Funds	Cluster/Other Share	Comments
Wine							
Funds available:							
\$155.970	1	Test Market Exercise	15	Wine marketing expert (Dagleish)	\$40.000	\$15.000	LoE + 15 days more days to be paid from Init. Funds; Tikves to pay for additional LoE
	2	Export Readiness Assessment	40	Wine marketing expert (Dagleish)			Already underway
	3	Wine Marketing Training				\$60.000	World Learning covering \$35,000
	4	Quality Improvement			\$45.000		David Stevens for 40 days (ARD) from Init. Funds
	5	Viticulture Training		John Bree (through BAH)			TBD
	6	Wine Laboratory		LOE included in Quality Improvement Initiative	\$0	\$400.000	Initiative TBD -- Assessment of LOL lab underway; est. is cost to develop new lab with E-Biz;
	7	Promotional Event in Selected Market			\$15.000	30.000	Related to Init. #1
		TOTAL			\$100.000		
		Balance			\$55.970		

MCA 2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA Initiative Funds	Cluster/Other Share	Comments
<i>Apparel</i>							
Funds available:							
\$200.000	1	Joint Exhibition at Trade Fairs			\$50.000	\$100.000	Includes consultant cost; MCA staff travel
	2	Assessing Potential for Production Improvement			\$0	\$0	
	3	Improving Promotion			\$27.000	\$27.000	Includes 20 days of Jeanne Atkinson, mktg/promo consultant
	4	Improving Production			\$40.000	\$30.000	Includes 35 days of apparel production consultant
	5	Attract FDI			\$15.000	\$0	Local BSP
	6	Encourage Govt. Reform			\$0	\$0	Staff time only
		TOTAL			\$132.000		
		Balance			\$68.000		

MCA 2005 Estimated Use of LoE and Initiative Funds							
Note: Each cluster allocated \$200,000 for initiatives; NECC started with same amount to support its activities.							
2005	Init. #	Initiative	Days of LoE Requested	Type of LoE	Allocated MCA Initiative Funds	Cluster/Other Share	Comments
NECC							
Funds available:							
\$98.730							
		Interim director			\$4.000		48 days
		Full time director	20	Bob Stapp (BAH)	\$21.000		Initiative funds for Exec Dir salary
		Annual retreat			\$1.500		
		Monthly Meetings			\$5.000		Rental of Skopje Fair for special meetings
		Study Tour			\$2.000		Dejan Janevski costs; Dane also attending
		WEF survey			\$3.500		
		Summit			\$10.000		Will seek other funding to minimize MCA cost
		Competitiveness Report			\$5.000	\$10.000	Ms Sekerinska committed to cover
		TOTAL			\$52.000		
		Balance			\$46.730		